

***North King County Cities
Volume 1: Employer Survey Results
March 2005***

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***Carolyn Edmonds,
Metropolitan King County Councilmember
District One***

Dear Partners in North County,

The Future is Here. The theme for this economic summit was carefully chosen. In the last 12 years, all five North County cities have undergone enormous change, either incorporating or doubling in size through annexations. Each city is developing its own distinctive character, yet all five share important ties. Now is the time to position North County cities as an economic force, to appeal to businesses and people to live, play and invest here.

Businesses, non-profits, educational institutions and governments must be active partners to effectively drive economic growth. I hope this study can be a starting point for all stakeholders to formulate a joint framework for the future. Now is the time to create the vision and begin to actively promote ourselves both locally and regionally.

The five municipalities of Bothell, Kenmore, Lake Forest Park, Shoreline and Woodinville have partnered with local businesses, non-profits and educational institutions to facilitate this study. We are on our way to making North County smarter, quicker and more decisive in this competitive market. By using the data from this study, we can combine existing local strategies and expand them into one comprehensive North County strategy.

I want to thank *Forward Shoreline's* Chairman, Jeff Lewis, for his collaboration on this project. Jeff's support, leadership and strategic advice were invaluable.

Community assets attract talented people and capital investments. Effective infrastructure, excellent schools, community open space and parks, and cultural attractions all have a very direct impact on quality of life and therefore drive the economy and our ability to be competitive. As we move forward in our next steps, we need to define what features are necessary to keep North County a great place to live and work for generations to come.

The Future is Here today. It's time to get on the map as a regional player in the Greater Puget Sound Area.

With Best Regards,

Carolyn Edmonds
Metropolitan King County Councilmember,
District One



Jeff Lewis,
Forward Shoreline Chairman

Dear North King County Citizens and Employers:

On behalf of my fellow volunteers in *Forward Shoreline*, I wish to acknowledge what a pleasure it has been to serve as project managers for the North King County Economic Summit. The CEO Survey and Summit accomplishes two things: *it opens eyes and opens avenues*.

The data has opened eyes to the breadth of opportunities in North King County. There are opportunities for business growth and development. There are opportunities for expanded communication and interaction between business, government and education. There is an opportunity for the opinion leaders of North King County to assert themselves in discussions about the economic future of the Puget Sound Region.

The North King County Summit has also opened wide avenues for further cooperation among the five cities. With respect to certain issues, we realize the benefit of thinking of ourselves as one unit instead of five. Transportation along the 522 corridor seems like one such issue for further collaboration. There are others. The avenue is now available for the five cities to continue to talk about economic development priorities and whether we can help each other in meaningful ways in the years ahead.

I wish to especially thank Metropolitan King County Councilmember Carolyn Edmonds for her leadership on this project. For the first time ever the five cities of North King County have come together to identify their strengths and understand their weaknesses. Her vision has started something great. I also want to acknowledge the fine work of Dave Endicott, of Endicott Consulting Group Inc. His public affairs and organizational skills are remarkable. Hebert Research is also to be thanked for their contribution of excellent research and creative thinking skills. The cities of Bothell, Kenmore, Lake Forest Park, Shoreline and Woodinville Mayors, City Council members and staff are to be thanked for supporting Councilmember Edmond's vision. Finally, our sponsors are to be thanked for their generosity in assisting the County, and Cities in funding this project.

The theme of this Summit is "The Future is Here." Whether your area of interest is world wide, regional or in one of the cities of the five North King County Cities, your future is here in North King County. Thank you for joining us today and in joining us as we assimilate what we've learned and identify our next steps.

If you would like to be included in future meeting notifications please email david@davidendicott.us.

Sincerely,

Jeffrey P. Lewis
Chairman, Forward Shoreline and
President and CEO, Shoreline Bank

Research Background and Objectives

Background

The North King County Economic Study was commissioned by King County Councilmember Carolyn Edmonds, in partnership with the Cities of Bothell, Woodinville, Shoreline, Kenmore and Lake Forest Park and *Forward Shoreline*, a non-profit corporation. The study includes an analysis of the North County economy in 2004 and a 2005 forecast.

Introduction to This Volume

The North King County Economic Study has been organized and presented in two volumes: Volume 1 includes the results of the survey of local employers and Volume 2 profiles the current economies of each city. In addition, the Executive Summary highlights the key findings of the entire study. This report represents the employer survey component (Volume 1) of the two-part study.

Objectives

The following objectives were addressed in conducting the economic research and baseline profile for the North King County cities:

1. Examine current levels of business confidence among North King County employers.
2. Understand what are the most pressing current challenges facing each major industry in North King County.
3. Assess what are the greatest advantages and disadvantages of being located in each North King County city.
4. Rate the competitiveness of each North King County city in the following key aspects:
 - A desirable place to live
 - Quality of the local K-12 schools
 - A place to find affordable housing options within King County
 - Variety of local retail, restaurants and services
 - A strong local central business district (“CBD”)
 - Appeal of the city as a place to visit
 - Ease of getting around within each city
 - Convenience of getting from each city to major urban centers
 - Affordable commercial real estate (land value & lease rates)
 - Competitive local government taxes, rules and regulations
 - The efforts of city staff and elected officials to promote business retention and expansion
 - Growth of local economy and local employment base
 - Growth of local consumer base

5. Determine whether local higher educational programs for worker training or further education have been used by North King County employers and examine whether these schools provide the quality and amount of training needed for the local workforce.
6. Measure rates of growth in the local economy since 2004, in jobs, revenue and capital goods investments.
7. Analyze expected rates of growth among local employers in 2005, in jobs, revenue, wages, advertising, capital goods investments, real estate space used and net income.
8. Examine longer-term expectations for growth in 2006 in jobs, revenues and space requirements.
9. Measure the number of positions that will be needed in the coming year as well as the distribution of occupations for these jobs.
10. Determine if local employers are considering moving outside the North King County area.

Methodology – Research Design And Sampling Frame

Hebert Research conducted a stratified probability survey of employers located within the North King County cities of Bothell, Kenmore, Lake Forest Park, Shoreline and Woodinville. The interviews began on February 3rd, 2005 and were completed on February 21st, 2005. A total of 301 employers completed the survey. The response rate, which represents the proportion of individuals who agreed to participate in the research, was 59.7%. The overall incidence rate, which represents the proportion of respondents who qualified to participate in the research, was 89.0%.

Respondents included business owners, CEOs and branch managers representing each local employer. The business establishments surveyed were randomly selected from a list of North King County employers that was itself a random sample of all listed businesses within these five cities. Every industry was represented except for nonprofit organizations in order to fully account for the diversity of local employers within the North King County study area.

A stratified sampling frame was used with quotas by city and also for small (less than 20 employees), mid-sized (20-49 employees) and larger employers (50 or more employees).

The initial sample of 301 employers devoted equal weight to each North King County city, with approximately 60 interviews each per city. Mid-sized and larger employers were over-sampled in relation to their actual numbers in each city in order to have sufficient minimum sub-groups of each cluster of employers for analysis. Restaurants, hotels and manufacturing firms were also slightly over-sampled in order to ensure those key industries were adequately sampled.

Statistical Weighting

In order to adjust for the effects of using quotas and over-sampling larger firms and certain industries, the initial sample of 301 employers was statistically weighted to be representative of actual differences by city, size of employer and industry. Weighting is a standard statistical procedure used in survey research and is administered electronically using our SPSS statistical software.

Weighted Sample Distribution By North King County City

City	Total Interviews	Weighted Cases	Weighted %	Actual %
Bothell	61	77	25.6%	26.6%
Kenmore	60	33	10.8%	10.2%
Lake Forest Park	61	19	6.4%	6.0%
Shoreline	60	98	32.6%	32.2%
Woodinville	59	74	24.5%	24.9%
Total	301	301	100.0%	100.0%

Weighted Sample Distribution by Industry Sector

Industry Sector	Weighted Cases	Weighted %	Actual %
Agriculture/Mining	6	2.1%	2.8%
Construction	30	10.0%	10.6%
Manufacturing	19	6.3%	5.2%
Tourism-Related	21	7.0%	6.4%
Transportation/Communication/Utilities	5	1.8%	2.3%
Wholesale	18	6.0%	6.0%
Retail	46	15.3%	15.0%
Finance/Insurance/Real Estate	29	9.6%	8.8%
Services	123	40.8%	41.2%
Public Admin	3	1.1%	1.6%
Total	301	100.0%	100.0%

Weighted Sample Distribution by Size of Employer

Employees	Weighted Cases	Weighted %	Actual %
Small (1-19)	264	87.6%	87.5%
Mid-sized (20-49)	22	7.2%	7.3%
Large (50 or more)	16	5.2%	5.2%
Total	301	100.0%	0.0%

Weighted Sample Distribution by Size of Employer and North King County City

Segment	Weighted Sample	Actual
Bothell - Less than 20 empl.	82.1%	83.8%
Bothell - 20+ employees	17.9%	16.2%
Kenmore - Less than 20 empl.	93.8%	93.1%
Kenmore - 20+ employees	6.3%	6.9%
Lake Forest Park - Less than 20 empl.	94.7%	94.6%
Lake Forest Park - 20+ empl.	5.3%	5.4%
Shoreline - Less than 20 empl.	89.9%	89.4%
Shoreline - 20+ employees	10.1%	10.6%
Woodinville - Less than 20 empl.	86.3%	85.1%
Woodinville - 20+ employees	13.7%	14.9%

PROFILE OF EMPLOYERS SURVEYED

The following tables provide a general background profile of the 301 employers surveyed and represent the final weighted sample. The typical employer interviewed was a services business (41.3%), locally-headquartered (87.5%), was a small business with less than 20 employees (87.6%) and made less than \$250,000 per year in annual revenue.

Business Headquarters						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Business Headquarters	87.53%	83.12%	87.88%	89.47%	91.92%	83.78%
Not Business Headquarters	12.47%	16.88%	12.12%	10.53%	8.08%	16.22%

Methodology – Research Design Continued...

Current Number Of Employees						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Small (1-19)	87.60%	82.05%	93.75%	94.74%	89.90%	86.30%
Mid sized (20-49)	7.22%	8.97%	3.13%	5.26%	4.04%	10.96%
Large (50+)	5.18%	8.97%	3.13%	0.00%	6.06%	2.74%

Total Employees At Company						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
1-19 Employees	78.34%	70.13%	81.25%	85.00%	83.67%	73.33%
20-49 Employees	8.66%	6.49%	3.13%	5.00%	9.18%	13.33%
50-99 Employees	2.63%	5.19%	3.13%	0.00%	1.02%	4.00%
100-499 Employees	2.67%	0.00%	9.38%	0.00%	3.06%	4.00%
500-999 Employees	1.49%	3.90%	0.00%	0.00%	0.00%	1.33%
1000 Or More Employees	6.22%	14.29%	3.13%	10.00%	3.06%	4.00%

Note: Includes all branches and locations including those outside the study area

Number Of Employees Living In Area						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
1-19	87.98%	80.00%	93.33%	88.89%	92.71%	86.57%
20-49	6.69%	13.85%	3.33%	5.56%	3.13%	5.97%
50 +	5.33%	6.15%	3.33%	5.56%	4.17%	7.46%

Company's Gross Revenue For 2004						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Under \$250,000	54.76%	44.61%	51.72%	68.75%	78.16%	29.51%
\$250,000 to \$499,999	13.79%	12.31%	17.24%	18.75%	5.75%	24.59%
\$500,000 to \$999,999	7.49%	3.08%	13.79%	12.50%	6.90%	9.84%
\$1 to \$2.4 million	10.15%	15.38%	6.90%	0.00%	2.30%	19.67%
\$2.5 to \$4.9 million	4.51%	7.69%	3.45%	0.00%	1.15%	6.56%
\$5 to \$19 million	5.98%	4.62%	6.90%	0.00%	5.75%	9.84%
\$20 to \$49 million	1.72%	6.15%	0.00%	0.00%	0.00%	0.00%
\$50 to \$99 million	0.99%	3.08%	0.00%	0.00%	0.00%	0.00%
\$100 million or more	0.61%	3.08%	0.00%	0.00%	0.00%	0.00%

Number Of Years Firm Has Been In Business						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Less than 5 Years	28.02%	32.47%	12.12%	30.00%	29.29%	27.03%
5-9 Years	21.03%	18.18%	33.33%	20.00%	24.24%	13.51%
10-14 Years	14.52%	22.08%	21.21%	10.00%	13.13%	8.11%
15-19 Years	10.24%	10.39%	6.06%	10.00%	6.06%	17.57%
20 Or More Years	26.20%	16.88%	27.27%	30.00%	27.27%	33.78%

Owner, President Or Local Manager Lives In Area						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Owner Lives in Area	79.48%	74.03%	81.82%	84.00%	79.59%	83.56%
Owner Does Not Live In Area	20.53%	25.97%	18.18%	16.00%	20.41%	16.44%

Major Industry Sector						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Manufacturing	6.04%	7.89%	9.68%	0.00%	0.00%	12.16%
Tourism-Related	7.05%	11.84%	3.23%	0.00%	6.12%	6.76%
Retail	15.44%	13.16%	12.90%	21.05%	20.41%	10.81%
Finance/Insurance/Real Estate	9.40%	10.53%	3.23%	10.53%	7.14%	13.51%
Services	41.28%	43.42%	45.16%	36.84%	51.02%	25.68%
Other	20.81%	13.16%	25.81%	31.58%	15.31%	31.08%

Methodology – Research Design Continued...

The data were analyzed using generally accepted techniques of statistical analysis that in Hebert Research's opinion are the most appropriate choices for this project.

Hebert Research has made every effort to produce the highest quality research product within the agreed specifications, budget and schedule. The customer understands that Hebert Research uses those statistical techniques, which, in its opinion, are the most accurate possible. However, inherent in any statistical process is a possibility of error, which must be taken into account in evaluating the results. Statistical research can predict consumer reaction and market conditions only as of the time of the sampling, within the parameters of the project, and within the margin of error inherent in the techniques used.

Evaluations and interpretations of statistical research findings and decisions based on them are solely the responsibility of the customer and not Hebert Research. The conclusions, summaries and interpretations provided by Hebert Research are based strictly on the analysis of the data gathered, and are not to be construed as recommendations; therefore, Hebert Research neither warrants their viability nor assumes responsibility for the success or failure of any customer actions subsequently taken.

The Research Team

Hebert Research wishes to thank all of the team members who have the common vision and understanding that a united North King County will benefit by a common data base from which to make informed decisions regarding economic development. We look forward to seeing stakeholders define the next steps and find their path toward livable, sustainable communities.

James D. Hebert, *President (Hebert Research)*
Susan Bond, *Research Director (Hebert Research)*
Paul Irby, *Director of Advanced Research (Hebert Research)*
Dr. Charles Russell, *Senior Economist (Hebert Research)*
Jerry Savage, *Senior Research Analyst (Hebert Research)*
Carlos Aragon, *Director of Analytical Research (Hebert Research)*
Carolyn Edmonds, *Metropolitan King County Councilmember*
Ritva Manchester, *Legislative Aide, King County Council*
Jeff Lewis, *Forward Shoreline, Chairman*
David Endicott, *Forward Shoreline, Executive Director*
Michelle Cable, *Forward Shoreline*
Larry Steele, *Forward Shoreline*
Steve Burkett, *Shoreline City Manager*
Bernard Seeger, *City of Shoreline, Management Analyst*
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John Hawley, *Lake Forest Park, Finance Director*
Sarah Philips, *Lake Forest Park, Community and Government Affairs Manager*
Carl Smith, *Woodinville, Community Development Planner*
Manny Ocampo, *Bothell, Assistant City Manager*
Kae Peterson, *Shoreline Community College Foundation President*
Rob Larsen, *ClearPath*

Methodology – Multivariate Analysis

Multivariate Analysis

Multivariate analysis involves testing for differences between two or more segments within the sample. Hebert Research used both parametric and non-parametric tests, including Chi Squared and ANOVA — to determine whether differences between segments were statistically significant.

Multivariate tests were run to determine if there were statistically significant differences between the following groups:

- Between each *North King County City* (Bothell, Kenmore, Lake Forest Park, Shoreline and Woodinville)
- By *Industry* (Construction, Manufacturing, Tourism-related, Retail, Finance, Services, Other)
- By *Size of Employer* (Small 1-19 employees, Mid-sized 20-49 employees and Large 50+ employees)
- By *Length of Time in Business* (New Employers 1-2 years, Established Employers 3+ years)

Statistical significance is typically measured through what is referred to as a “p value.” This value describes the probability that an effect—for instance a difference between cities—occurred purely due to chance. Thus, *smaller p values (i.e., those below .05) are indicative of greater levels of confidence and suggest that the effect being observed can be relied upon in decision-making*. Low and very low P values (e.g., .001 and lower) indicate that the effect which has been documented is indeed factual and not the product of a random occurrence or extraneous variable.

A Note on Measures of Association

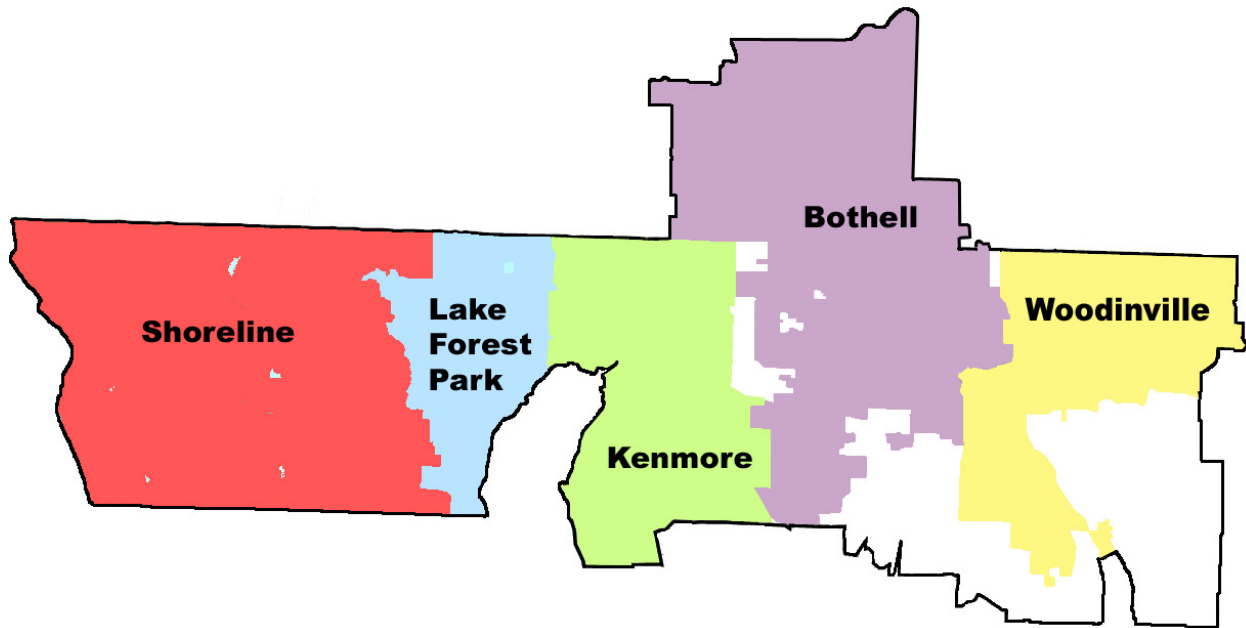
In this report, a measure of association will be reported (either Cramer’s V or Eta Squared). These coefficients describe the strength of the relationship between one variable and another variable. The higher the coefficient, the stronger the relationship.

Content Analysis

Basically, Content Analysis is a systematic reading of text. In the case of this analysis, the technique is applied in its qualitative form: as a means by which to gain insight that can contribute to an overall greater depth of analysis. The goal with the content analysis of verbatim responses was not simply to count responses (as is done with other questions) but rather to use the verbatim responses to come to a *deeper understanding* of the quantitative analysis and uncover insights which are difficult to identify using statistics. To illustrate connections between these open-ended responses and to organize them in a way that can be synthesized with quantitative results, findings have been presented thematically and representative quotations were shown for illustrative purposes.

North King County Study Area Map

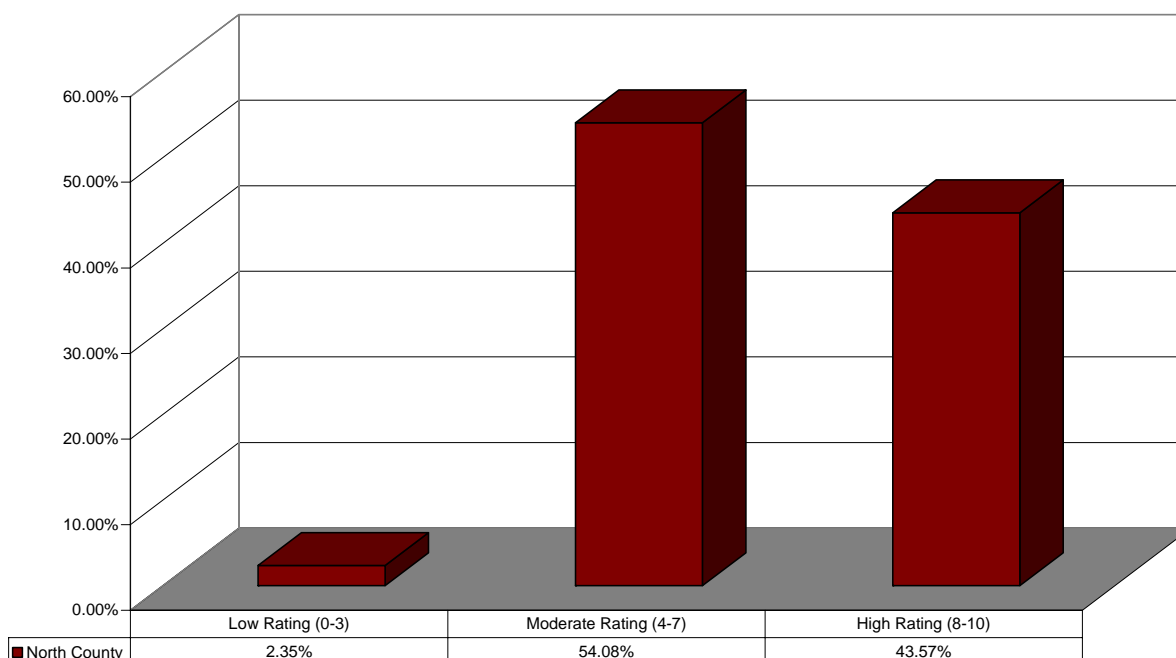
The following regional map illustrates the current city boundaries of each North King County city. The Bothell segment was included in the research in order to fully represent the entire geography of this city and to correspond with available business data that is based on the full city limit geographic definition.



Industry Expectations In North King County – Next 12 Months

North King County employers rated the expected performance or growth prospects of their industry moderately high over the next 12 months, with an average rating of 6.98 on the 0-10 scale (with 10 being “excellent” and 0 being “poor”). Forty-four percent of all employers gave high ratings of 8, 9 or 10, while only 2.4% gave low ratings of 0-3. Differences by city were not statistically significant ($p=.623$). Established employers in business for at least 3 years gave higher ratings (7.12 on average) than did newer employers (averaging 6.18)($p=.001$).

Expected Industry Performance In North King County In The Next 12 Months



Expected Industry Performance In North King County In The Next 12 Months						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Low Rating (0-3)	2.35%	2.67%	9.09%	5.56%	0.00%	1.39%
Moderate Rating (4-7)	54.08%	49.33%	51.52%	50.00%	56.84%	56.94%
High Rating (8-10)	43.57%	48.00%	39.39%	44.44%	43.16%	41.67%
Average	6.98	7.01	6.56	6.86	7.08	7.02

Most Pressing Current Challenges Facing Industry In North King County

Most North King County employers cited slow growth in the economy and high costs of doing business, including insurance, taxes, rents and wages as the most pressing current challenges facing the industries in the North County area. Below is a sample of the responses segmented into major themes by industry.

Construction:

- Finding qualified help.
- Government is too restrictive of small business.
- Insurance, rising rates.
- Traffic and taxes.

Manufacturing:

- Marketing our services.
- Tax issues.
- High cost of labor, traffic problems, and lack of manufacturing in the region to produce potential customers.

Tourism-Related:

- A lot of competition.
- Labor costs. Increased minimum wage and pay roll taxes.
- A little bit of fear from the Aurora project.
- Poor local economy.

Wholesale:

- A tax issue. In Woodinville, businesses are leaving town because the rent is too high and they are moving north to places like Everett where the rent is lower. My sales to businesses have declined.
- Cost of doing business, taxes i.e. L & I, B&O and the whole works.
- Unable to compete with international competitors.

Retail:

- Taxes. Sales tax collection takes too many resources from the business owner.
- The unemployment rate.
- The overall economy.

Finance/Insurance/Real Estate:

- Interest rates are going up.
- Dealing with construction.
- The stock market trends have been flat, it's been a challenge to get people to invest.

Most Pressing Challenges Continued...

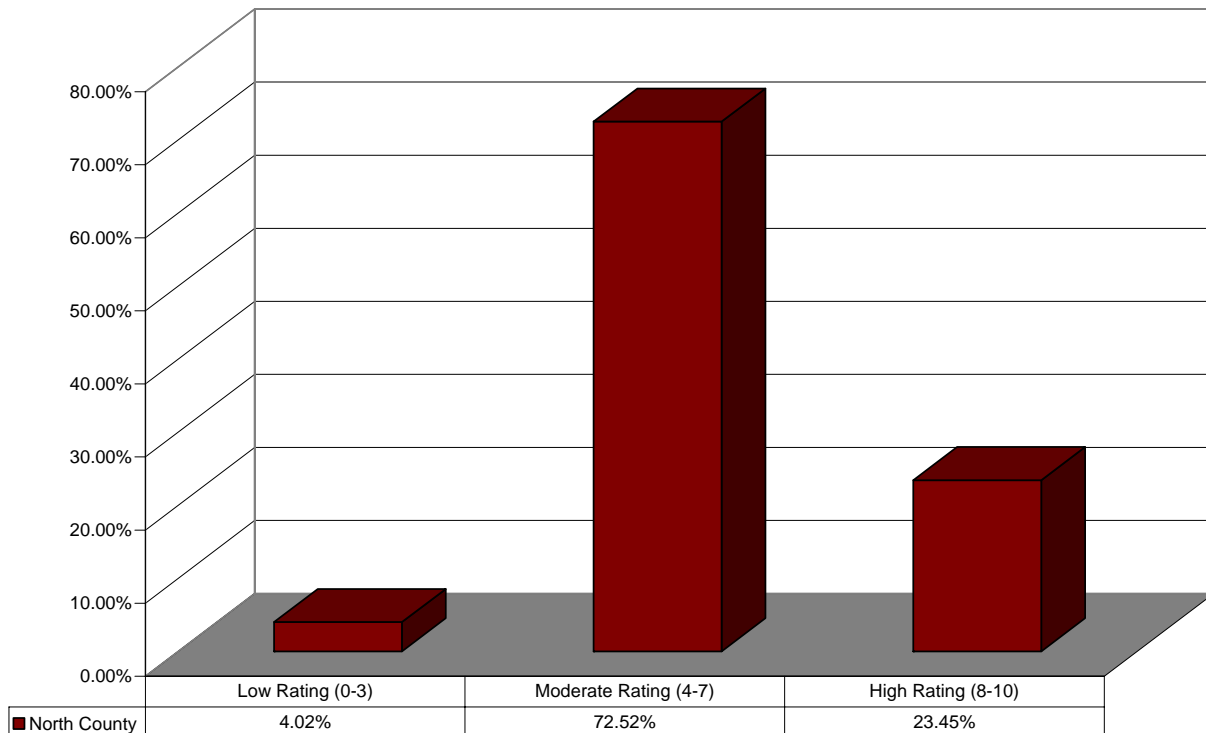
Services:

- Business expenditures. Government money and taxes.
- Economy.
- Reliable employees.
- Traffic from the construction of the roads, a lot of people are avoiding this area because of the congestion.

Employer Confidence In Health Of North King County Economy – Next 12 Months

According to the employers surveyed, the North King County economy as a whole was rated moderately high in its growth potential over the next 12 months. Respondents gave an overall average mean rating of 6.46 on the 0-10 scale, with 23.5% giving high ratings and only 4.0% giving low ratings. A rating of '10' on this scale meant "a very high rate of expansion" and a rating of '0' referred to "a severe decline." Again, differences between cities were not statistically significant ($p=.749$).

Overall Confidence In The Health Of The North King County Economy



Overall Confidence In Health Of North King County Economy						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Low Rating (0-3)	4.02%	0.00%	3.13%	5.26%	4.17%	8.11%
Moderate Rating (4-7)	72.52%	73.97%	78.13%	73.68%	76.04%	63.51%
High Rating (8-10)	23.45%	26.03%	18.75%	21.05%	19.79%	28.38%
Average	6.46	6.68	6.35	6.55	6.33	6.45

Advantages Of Being Located In North King County City

Respondents were asked what the advantages were of being located in their city. Listed below is a typical sample of North King County employer responses broken down by city. Location was an important consideration for the majority of employers. There were frequent comments regarding being conveniently located within the Greater Seattle Area economy, which was perceived to be expanding. Also mentioned was the closeness to high technology employers, and “small town feel.”

Bothell:

- A large availability of technical resources.
- Central location in Puget Sound.
- Location to freeway.
- The local surrounding community is family oriented.

Kenmore:

- Central location.
- Growth in the area for business.
- The “small town feel” of the city of Kenmore and its close proximity to all the big town amenities.
- Variety of technology.

Lake Forest Park:

- Easy access to Eastside and Seattle for deliveries.
- That it’s a small community.
- Town has a sense of community.

Shoreline:

- Close to the city of Seattle.
- Improving economy, the area is growing so there are more amenities and people moving into the area.
- My community is small and the city government. They are my neighbors.
- Taxes are lower.
- The quality of the school district.

Woodinville:

- I’m pretty well centrally located for my business for all of the growth going on.
- Technology money is available.
- The higher income level of the customer.
- There is a lot of housing development here. Personally, I distribute hardware that goes into new home construction.

Disadvantages Of Being Located In Each City

The employers were asked to identify the disadvantages of being located in their city. Listed below is a representative sample of responses segmented by city. Overall, most employers cited traffic and high taxes as major disadvantages. Respondents also frequently mentioned unfriendly local government, distance from Seattle, the perceived high costs of doing business and concerns about housing affordability.

Bothell:

- The commute time to Seattle
- The really high taxes and utilities.
- The unfriendly local government.
- There is an awkward mix downtown of retail and services.
- Traffic congestion.

Kenmore:

- City government.
- Cost of living, cost of labor, shipping and traffic.
- Government regulations and taxes.
- Lack of business growth in city proper.
- Traffic congestion.

Lake Forest Park:

- It's a little out of the way for my Seattle Metro clients.
- Regulations.
- The sign ordinance.
- The price of rent. The City is not pro-business. No signs are allowed.
- Traffic congestion.

Shoreline:

- Getting the City to work with the local business community.
- I have a real concern about housing affordability.
- Taxes, too many and too high.
- Traffic problems.
- The customers don't look at our neighborhood, they go elsewhere. Our area is under-served; there are not a lot of restaurants.

Woodinville:

- Increased costs for gas and product. As gas prices increase, people stop coming to our restaurant.
- Rents for apartments are higher in Woodinville. The Northeast King County area doesn't provide a large enough entry-level workforce. Our employees come from as far south as Renton and up to Everett.
- Taxes.
- The high cost of rent, and the traffic.
- Travel time.

Rating Competitiveness of North King County Cities

North King County employers were asked to rate the competitiveness of the region based on a 0-10 scale with 0 being “not at all competitive” and 10 being “highly competitive.” Average ratings above a 6.0 generally indicate that a large segment of employers are giving high ratings and fewer are giving low ratings. Overall, the data points to the North King County area as being highly competitive in the following (note: the k value is a measure of how similar or homogenous are the ratings across the employers surveyed; a value above 0 indicates more similarity than difference while a negative value indicates segmentation and lack of similarity).

- *A desirable place to live* (overall average = 7.97) (k = 3.21)
- *Quality K-12 schools* (average = 7.83) (k = 2.92)
- *Variety of local retail, restaurants and services* (average = 6.57) (k = .155)
- *Convenience of getting to major urban centers like Seattle, Bellevue or Everett* (6.47) (k = -.746)

However, employers gave mediocre ratings for the performance of local government staff in promoting business growth and ensuring competitive taxes and policies, averaging only 5.26.

These findings are further supported by the verbatim comments regarding the strengths of each city.

Differences between cities were significant for affordable housing (p=.000), variety of local retail (p=.001), strong local CBD (p=.000), appeal as a place to visit (p=.000), ease of getting around within the city (p=.000), convenience of getting to major urban centers (p=.002), and growth of the local economy (p=.011). The average ratings are shown for all cities below:

Competitiveness of North King County Cities - Community Attributes						
Characteristic	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
A desirable place to live	7.97	7.96	7.12	8.42	8.13	8.04
Quality of the local K-12 schools	7.83	7.65	7.75	8.10	7.82	7.99
Variety of local retail, restaurants and services	6.57	6.86	5.96	5.39	6.74	6.63
Convenience of getting from your city to major urban centers like Seattle, Bellevue or Everett	6.47	6.26	5.67	7.00	7.29	5.85
Appeal of the city as a place to visit	6.35	6.32	4.73	6.44	5.88	7.69
Growth of local consumer base	6.20	6.34	5.71	5.85	5.96	6.71
Ease of getting around within city	6.19	6.56	5.67	6.69	7.19	4.60
Growth of local economy and local employment base	5.87	5.61	5.29	5.50	5.87	6.48
A strong local central business district ("CBD")	5.16	5.35	4.24	4.76	4.45	6.46
Affordable commercial real estate (land value & lease rates)	5.01	5.07	4.47	4.74	5.24	4.91
A place to find affordable housing options within King County	4.91	5.44	4.41	5.26	5.43	3.74
Average Community Attributes	6.23	6.31	5.55	6.20	6.36	6.28

Competitiveness Ratings Continued...

Competitiveness of North King County Cities - Local Government Attributes						
The efforts of city staff and elected officials to promote business retention and expansion	5.43	5.23	4.61	5.02	5.52	6.02
Competitive local government taxes, rules and regulations	5.08	4.69	4.41	4.95	5.66	5.02
Average Local Government	5.26	4.96	4.51	4.99	5.59	5.52

Additional Statistical Analysis

In terms of the quality of local K-12 schools, analysis showed that the Retail Industry (8.31) was more likely to give a high rating, followed by Services (8.01), Finance/Insurance/Real Estate (7.99), Other (7.89), Tourism-Related (7.69), Manufacturing (7.47) and Construction (6.52). (p = .011)

Findings also showed that the Retail Industry (5.66) gave higher ratings in regard to their competitiveness of a place to find affordable housing options within King County, followed by Finance/Insurance/Real Estate (5.50), Services (5.21), Tourism-Related (4.78), Manufacturing (4.11), other (4.06) and Construction (3.44). (p = .000) Also, established employers gave lower ratings than newer employers (4.75 versus 5.64). (p = .013)

The Construction Industry (6.32) generally gave higher ratings for a strong local central business district followed by Tourism-Related (6.07), Manufacturing (5.83), Retail (5.77), Finance/Insurance/Real Estate (5.48), Services (4.52) and other (4.29). (p = .001) Again, established employers gave lower ratings (4.99) than did newer employers (5.79). (p = .054)

The Finance/Insurance/Real Estate Industry (7.07) was more likely to give a high rating for ease of getting around within their city followed by Retail (6.89), Tourism-Related (6.49), Services (6.30), Manufacturing (5.83), other (5.27) and Construction (4.84). (p = .002)

Additional findings showed that the Services Industry (5.58) gave higher ratings in regard to having affordable commercial real estate followed by Finance/Insurance/Real Estate (5.35), Manufacturing (5.30), Tourism-Related (4.92), Retail (4.91), Construction (4.33) and Other (3.53). (p = .006) Newer employers gave higher ratings (5.93 on average) than established employers (4.85). (p = .015)

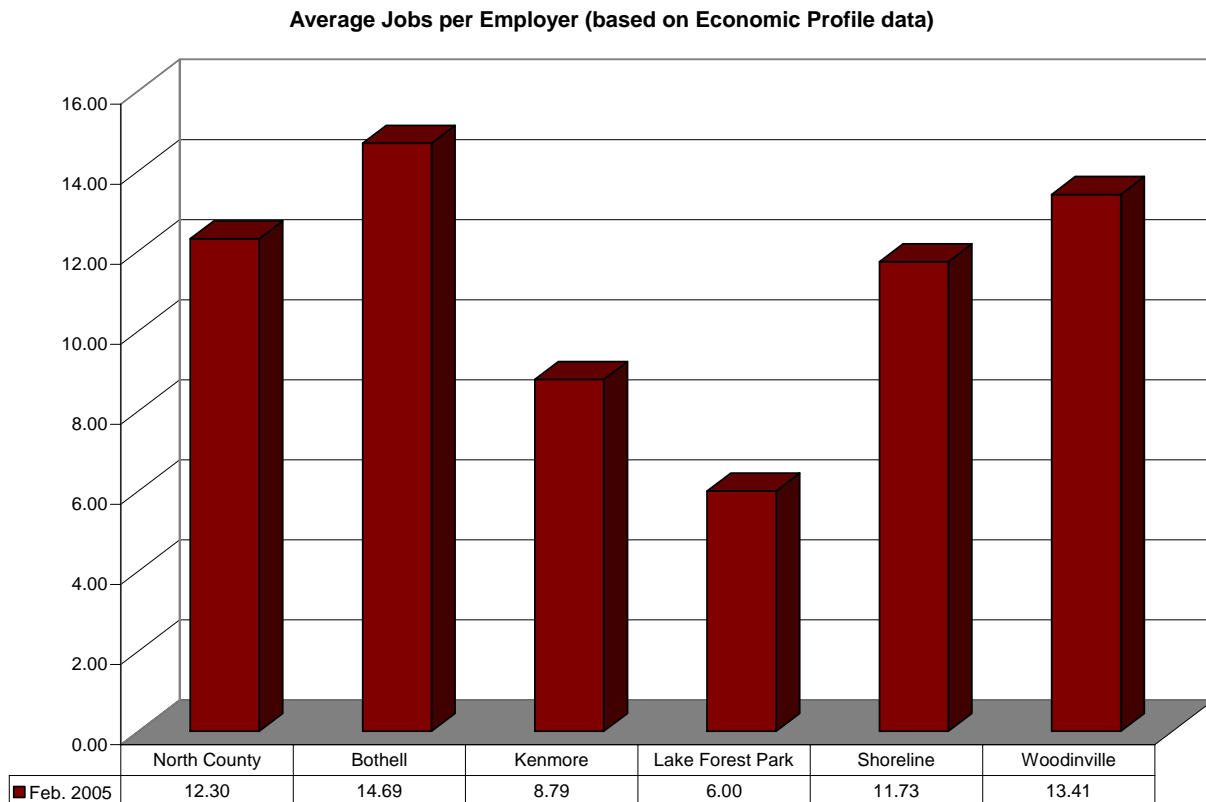
Data showed that the Finance/Insurance/Real Estate Industry (5.61) was more likely to give a high rating for competitive local government taxes, rules and regulations followed by Retail (5.51), Services (5.51), Tourism-Related (5.28), Manufacturing (4.92), Other (4.19) and Construction (3.14). (p = .000)

Additional analysis showed that the Finance/Insurance/Real Estate Industry (6.61) gave higher ratings in regard to growth of local economy and local employment base followed by Construction (6.35), Retail (6.24), Tourism-Related (5.83), Services (5.68), Manufacturing (5.61) and Other (5.01). (p = .015)

Current Average Employment Level

The current average number of jobs per employer was taken from the Economic Profile and reported below to serve as a benchmark for evaluating recent changes and expectations for changes in jobs in the next two years. Overall, the typical North King County employer had an average of 12.3 jobs. Lake Forest Park employers had the smallest average, at 6.00 jobs. Bothell and Woodinville had the highest averages, at 14.69 and 13.41, respectively.

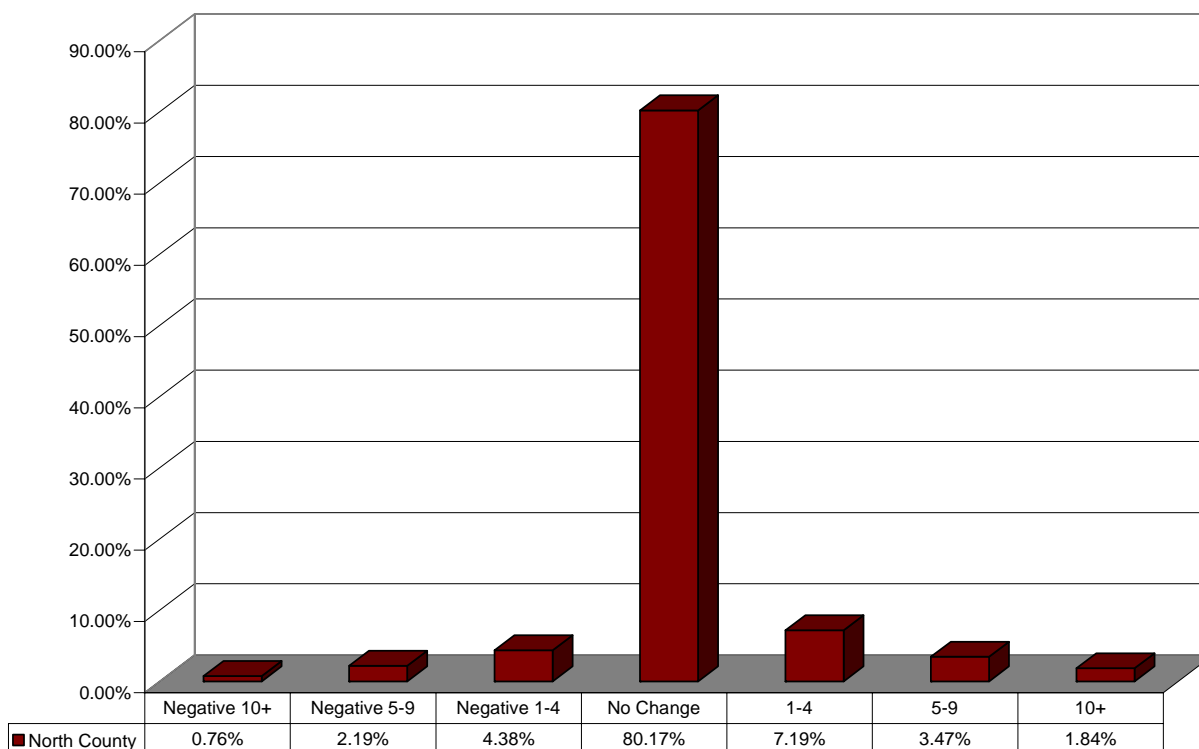
It is important to note in these averages that the five North King County cities are not homogenous suburban communities but in fact represent unique micro-economies and business communities with different mixes of industries and sizes of businesses. While Shoreline is notable for its overall population size, Bothell and Woodinville both have substantial clusters of larger employers centered in their office/industrial parks. Kenmore and Lake Forest Park are relatively small suburbs with few larger employers, thus their averages are much lower.



Recent Changes Since 2004 - Jobs

The respondents were asked how their levels of employment have changed in the last year. Overall, North King County employers reported having grown by an average of 0.39 jobs in 2004, which represents an annual growth rate of 3.3% when applied to the current North King County average of 12.30 jobs per employer (see previous page). The percentage of employers remaining the same varied between 74% and 83% between the five cities. Differences between cities in growth rates were not statistically significant.

2004 Change In North King County Employment (in number of jobs)

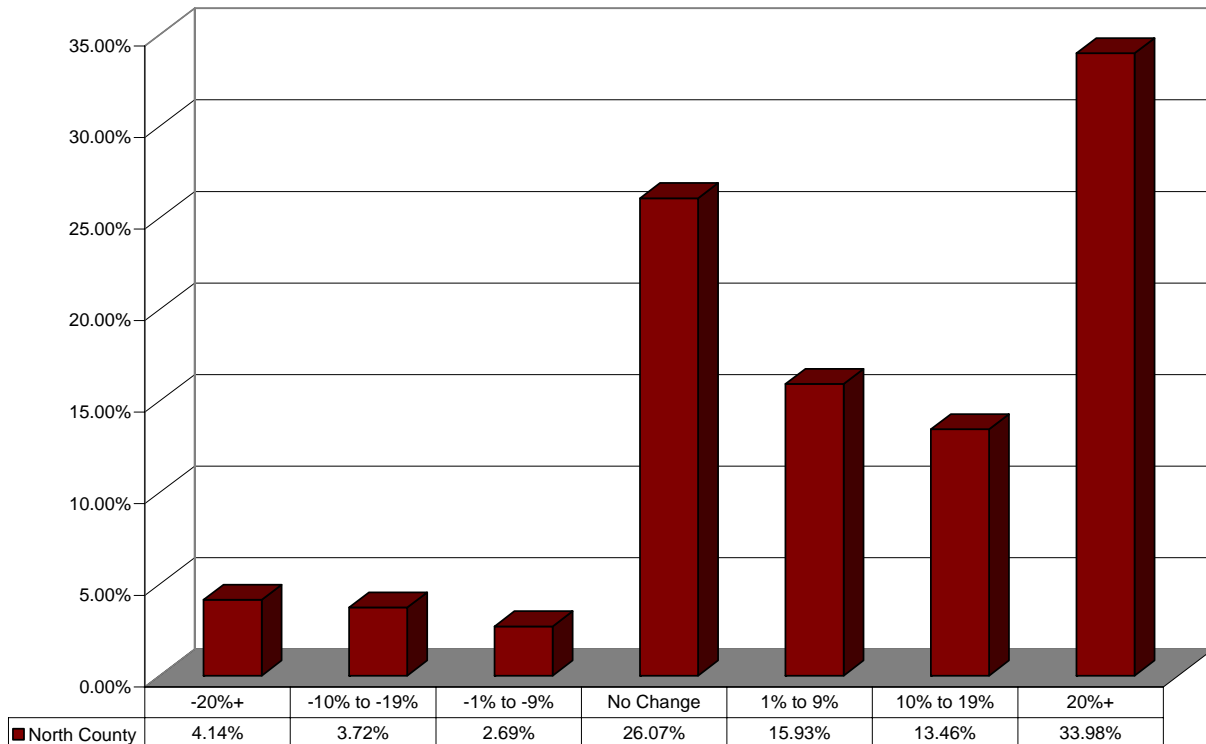


2004 Change In Total Employment						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Negative 10+	0.76%	2.63%	0.00%	0.00%	0.00%	0.00%
Negative 5-9	2.19%	1.32%	0.00%	0.00%	4.08%	1.37%
Negative 1-4	4.38%	3.95%	2.94%	5.26%	5.10%	4.11%
No Change	80.17%	78.95%	79.41%	73.68%	82.65%	80.82%
1-4	7.19%	5.26%	14.71%	15.79%	4.08%	8.22%
5-9	3.47%	5.26%	2.94%	5.26%	2.04%	4.11%
10+	1.84%	2.63%	0.00%	0.00%	2.04%	1.37%
Average	0.39	0.48	0.42	0.39	0.13	0.61

Recent Changes Since 2004 – Total Revenues

The majority (63.4%) of all North King County employers reported having increased their total revenue over the past year. Very few businesses reported declines in revenue, while one-third of the employers reported at least 20% growth. Differences between the North King County cities were not statistically significant.

2004 Change In North King County Total Revenues

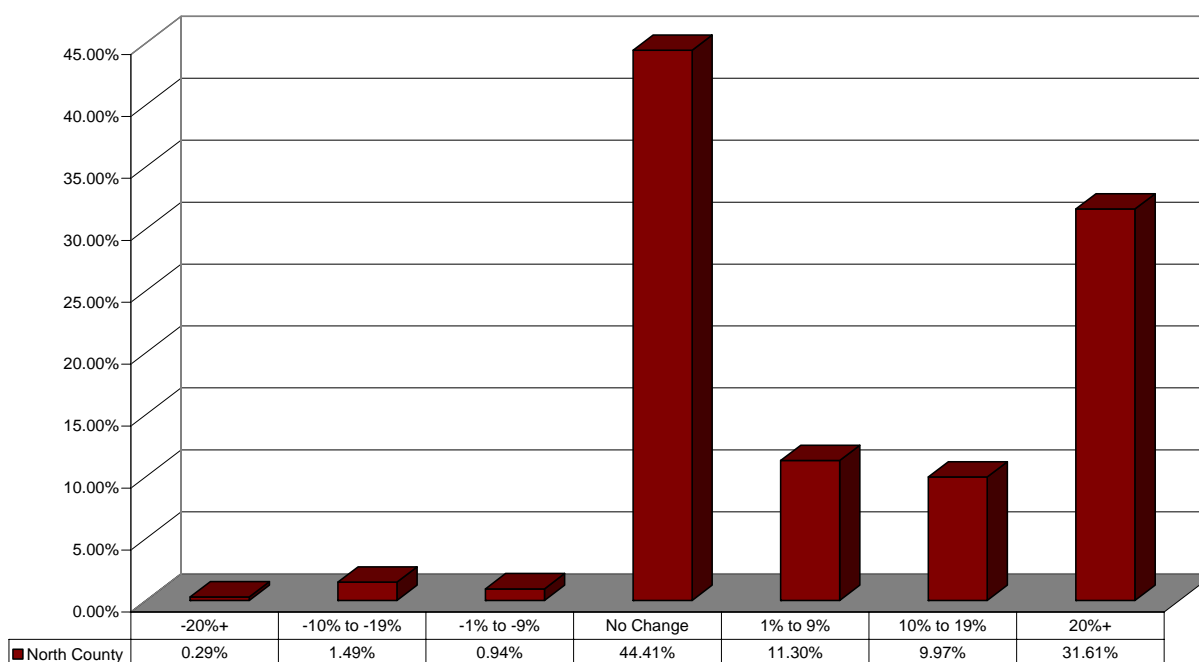


2004 Change In Total Revenues						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	4.14%	6.67%	6.25%	5.26%	0.00%	5.48%
-10% to -19%	3.72%	0.00%	6.25%	5.26%	5.10%	4.11%
-1% to -9%	2.69%	1.33%	0.00%	5.26%	6.12%	0.00%
No Change	26.07%	26.67%	28.13%	31.58%	27.55%	21.92%
1% to 9%	15.93%	22.67%	18.75%	10.53%	9.18%	17.81%
10% to 19%	13.46%	14.67%	15.63%	5.26%	15.31%	10.96%
20%+	33.98%	28.00%	25.00%	36.84%	36.73%	39.73%

Recent Changes Since 2004 – Investment In Capital Goods And Equipment

Very few employers reported having decreased their spending on capital goods and equipment in the last year. A total of 44.4% reported staying the same, while a slight majority of 52.9% reported increasing spending in this area. Greater spending on capital goods is an important economic indicator supporting the expectations of growth measured in the general business confidence type questions. Employers that plan to grow are much more likely to make these types of investments to remain competitive and support their growth strategies. Differences between cities were not significant.

2004 Change In Investment In Capital Goods And Equipment (North King County)

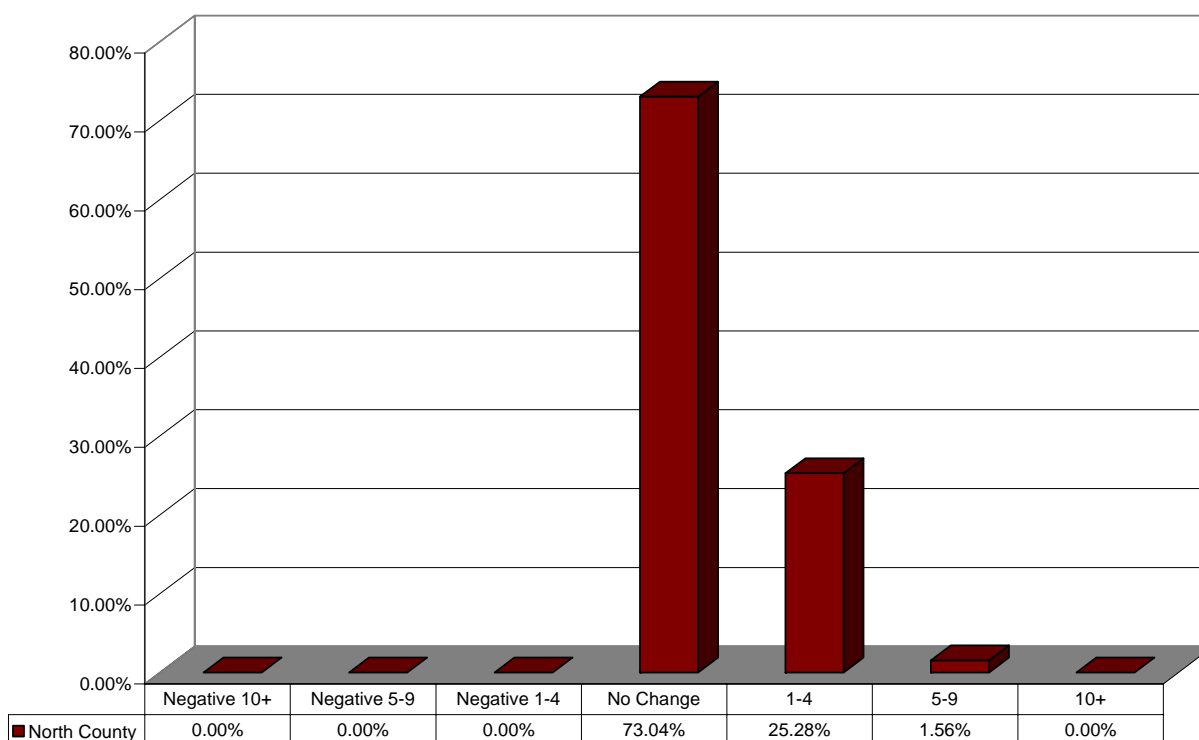


2004 Change In Investment In Capital Goods And Equipment						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	0.29%	0.00%	2.94%	0.00%	0.00%	0.00%
-10% to -19%	1.49%	2.60%	0.00%	0.00%	2.04%	0.00%
-1% to -9%	0.94%	2.60%	0.00%	0.00%	0.00%	0.00%
No Change	44.41%	50.65%	41.18%	47.37%	44.90%	37.84%
1% to 9%	11.30%	6.49%	23.53%	5.26%	9.18%	16.22%
10% to 19%	9.97%	9.09%	11.76%	10.53%	13.27%	6.76%
20%+	31.61%	28.57%	20.59%	36.84%	30.61%	39.19%

Expected Changes Over Next 12 Months - Jobs

Over the next year, the typical North King County employer will remain the same in their employment levels (73%). However, no employers expected a decline and 27% expect to increase jobs in the next 12 months. Differences by city were not statistically significant ($p=.254$). Additional findings also show that as the size of the organization increases so does the expected number of estimated positions expected to be hired for in 2005; large employers with at least 50 employees expect to add on average 18.31 jobs, as compared to small employers (1-19 employees) adding on average 1.01 positions ($p = .000$). These averages help the reader to better understand employment growth within the North King County area and the importance of the larger employers to achieving the overall job growth expectations.

2005 Change In North King County Employment (number of jobs)



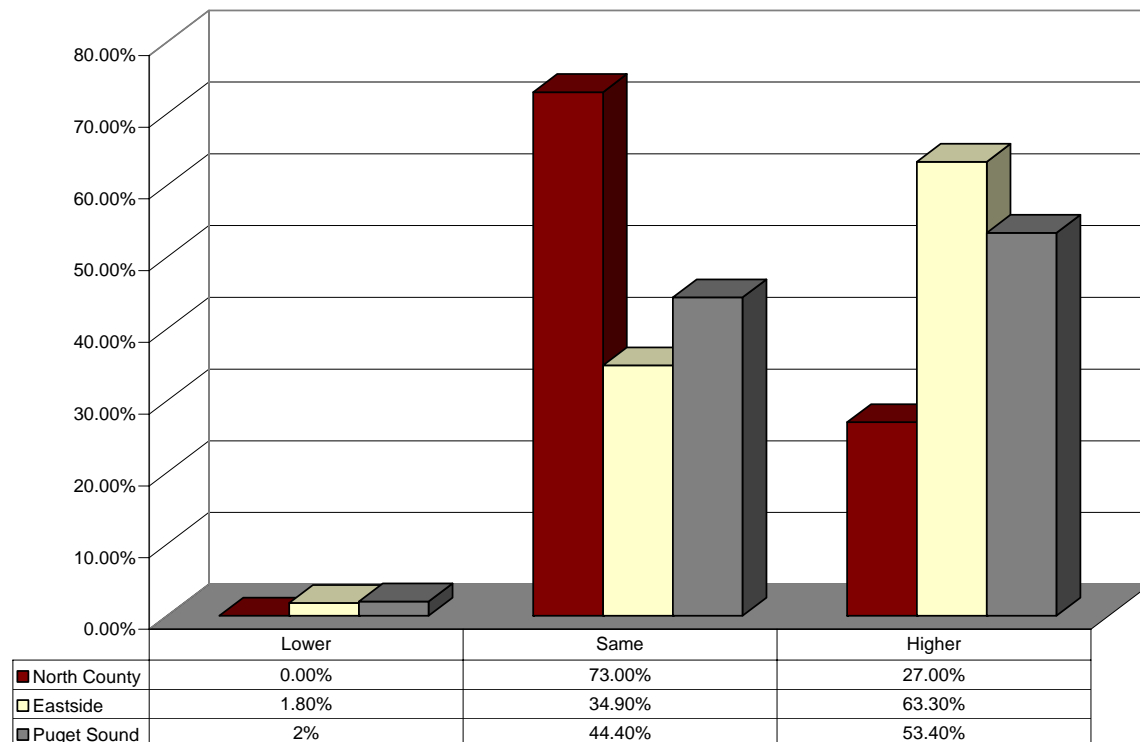
2005 Change In Total Employment						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Negative 10+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Negative 5-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Negative 1-4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No Change	73.04%	71.43%	74.19%	80.00%	79.80%	63.51%
1-4	25.28%	24.68%	22.58%	20.00%	20.20%	36.49%
5-9	1.56%	3.90%	3.23%	0.00%	0.00%	0.00%
10+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average	0.54	0.59	0.76	0.35	0.37	0.64

Regional Comparisons – Expected Job Growth

The results of the current North King County survey were compared against the latest available findings from the Puget Sound Business Confidence research (sponsored by Key Bank). In this case, findings from the December 2004 survey were compared with the North King County results from February 2005, a difference of only two months. When compared to Eastside and Puget Sound companies, a much smaller percentage (27%) of North King County employers expected to increase jobs in the coming year, as compared to 63.3% of Eastside companies and 53.4% of Puget Sound companies recently surveyed.

In making these comparisons, it should be noted that the Puget Sound quarterly study uses a somewhat different sampling frame that is weighted towards the larger regional employers (60% have at least \$5 million sales) while the North King County study survey sample is proportionately weighted to the actual distribution of employers. One should keep in mind that the typical North King County employer only has a few employees and can potentially increase in sales without having to add any additional workers.

Expected Change in Employment - Next 12 Months



Types of Jobs Anticipate Hiring For – Next 12 Months

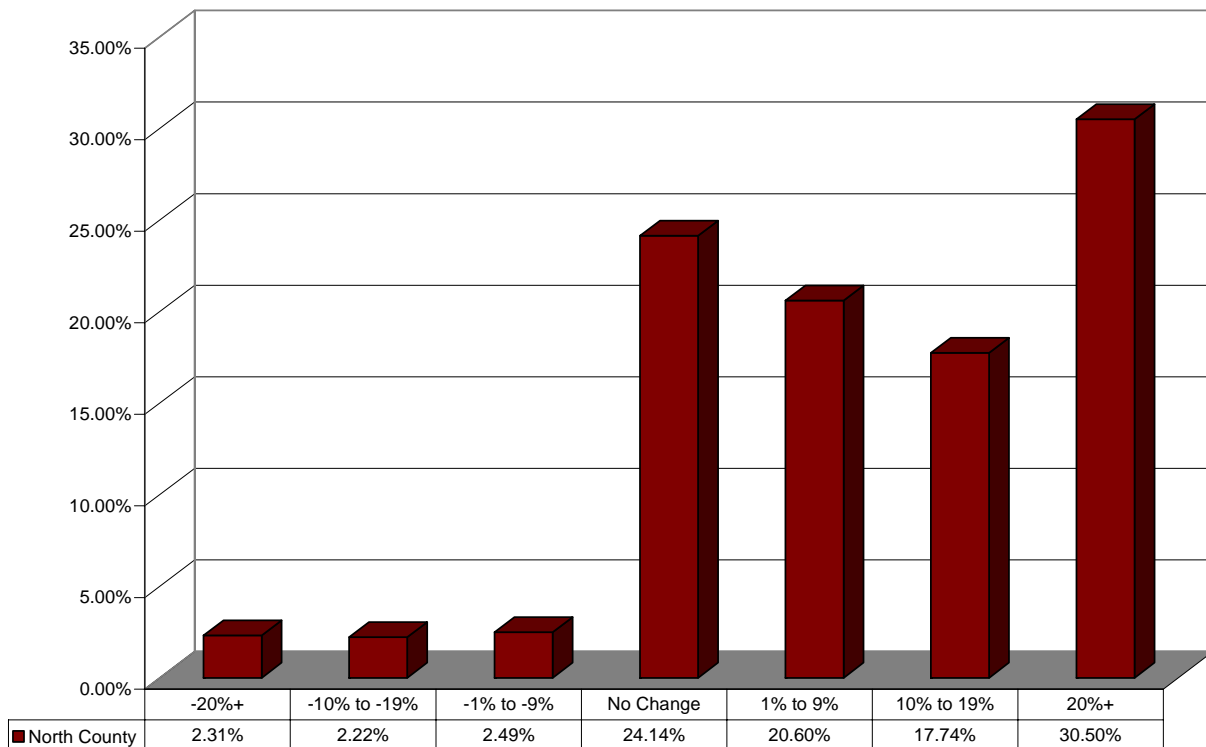
The most common type of job that will be hired in the next 12 months by North King County employers is “clerical/secretarial,” followed by sales staff in retail and other industries, and construction workers. The following table lists the most common responses:

Occupational Category	Percent of North King County Employers
Clerical/secretarial	18.1%
Salespeople - other	13.2%
Salespeople - retail workers	10.3%
Construction workers	10.3%
Manufacturing	8.4%
IT/Internet/computer network staff	5.9%
Management	3.9%
Professional services - engineers	3.4%
Personal services	3.2%
Professional services - lawyers	3.1%
Professional services - medical	2.1%
Professional services - accountants	1.6%
Data entry workers	1.0%

Expected Changes Over Next 12 Months - Total Revenues

Nearly one-quarter (24.14%) of the North King county employers are expecting their revenues to remain the same over the next 12 months. However, twenty-one percent (20.6%) are expecting an increase up to 9%, eighteen percent (17.74%) up to 19% and almost a third (30.5%) are expecting a change of over 20% in revenue. *The fact that most employers expect to increase in sales and revenue provides a clear indication of optimism and healthy business confidence within the five North King County cities.* Differences by city were not statistically different.

2005 Change In Total Revenue (North King County)



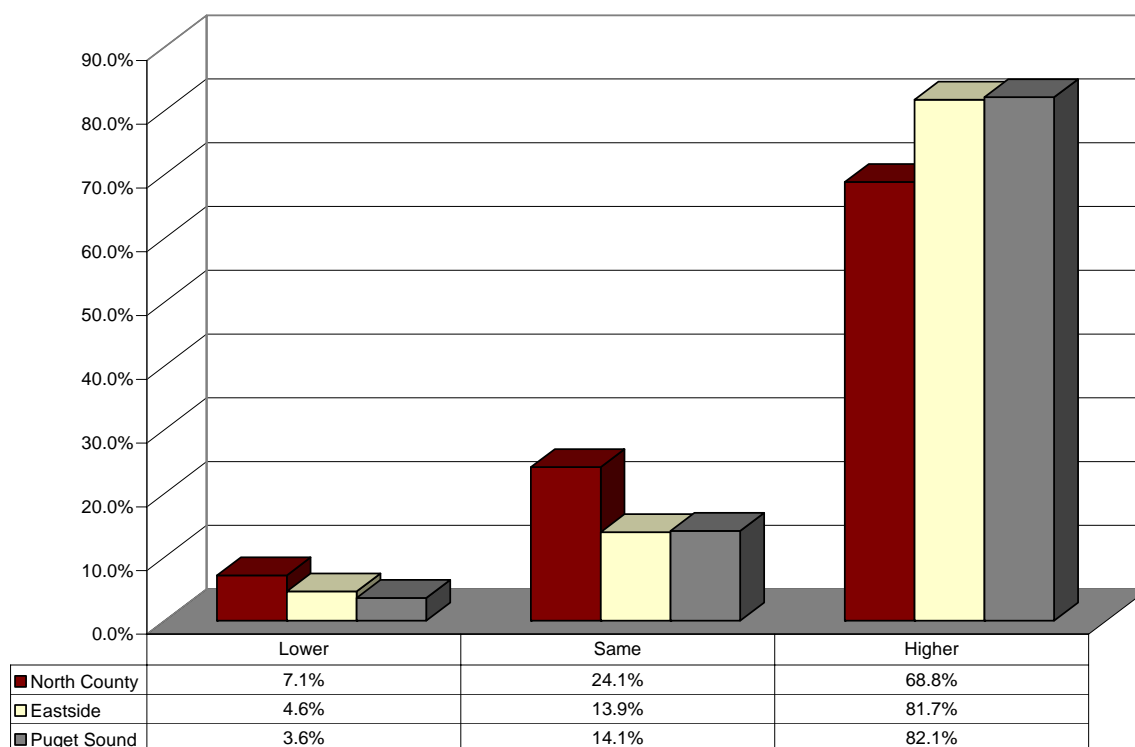
2005 Change In Total Revenue						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	2.31%	4.00%	3.23%	0.00%	0.00%	4.05%
-10% to -19%	2.22%	0.00%	3.23%	5.56%	5.05%	0.00%
-1% to -9%	2.49%	2.67%	0.00%	0.00%	5.05%	0.00%
No Change	24.14%	18.67%	29.03%	33.33%	24.24%	25.68%
1% to 9%	20.60%	26.67%	25.81%	16.67%	19.19%	14.86%
10% to 19%	17.74%	20.00%	9.68%	11.11%	16.16%	21.62%
20%+	30.50%	28.00%	29.03%	33.33%	30.30%	33.78%

Regional Comparisons – Expected Revenue Growth

The results of the current North King County employer survey for expected revenue growth were once again compared against the latest available findings from the Puget Sound Business Confidence research. When compared against Eastside and Puget Sound companies, a somewhat smaller percentage (68.8%) of North King County employers expected to increase total revenues in the coming year, as compared to 81.1% of Eastside companies and 82.1% of Puget Sound companies recently surveyed.

However, given that the Puget Sound benchmarks reflect the dominance of the larger regional employers, the North King County survey results are still impressive in the degree of confidence in the economic growth of these five cities.

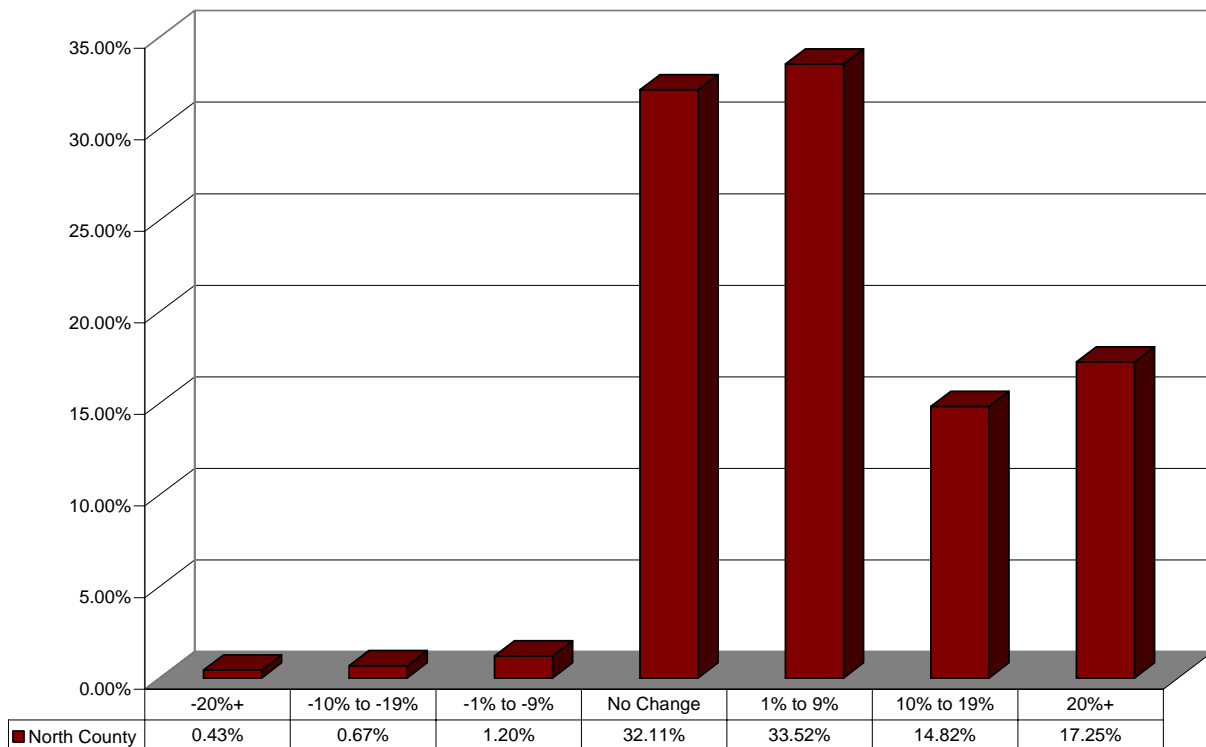
Expected Change in Total Revenue - Next 12 Months



Expected Changes Over Next 12 Months - Wages Per Employee

Although thirty-two percent of the employers in North King County expected no change in the wages and salaries of their employees on a per employee basis, an almost equal number (33.2%) expected up to a nine percent increase in the wages. Seventeen percent (17.25%) expected an increase of over twenty percent in wages on a per employee basis. Once again, there were no significant differences between the different cities of North King County.

2005 Change In Wages/Salaries On A Per Employee Basis (North King County)



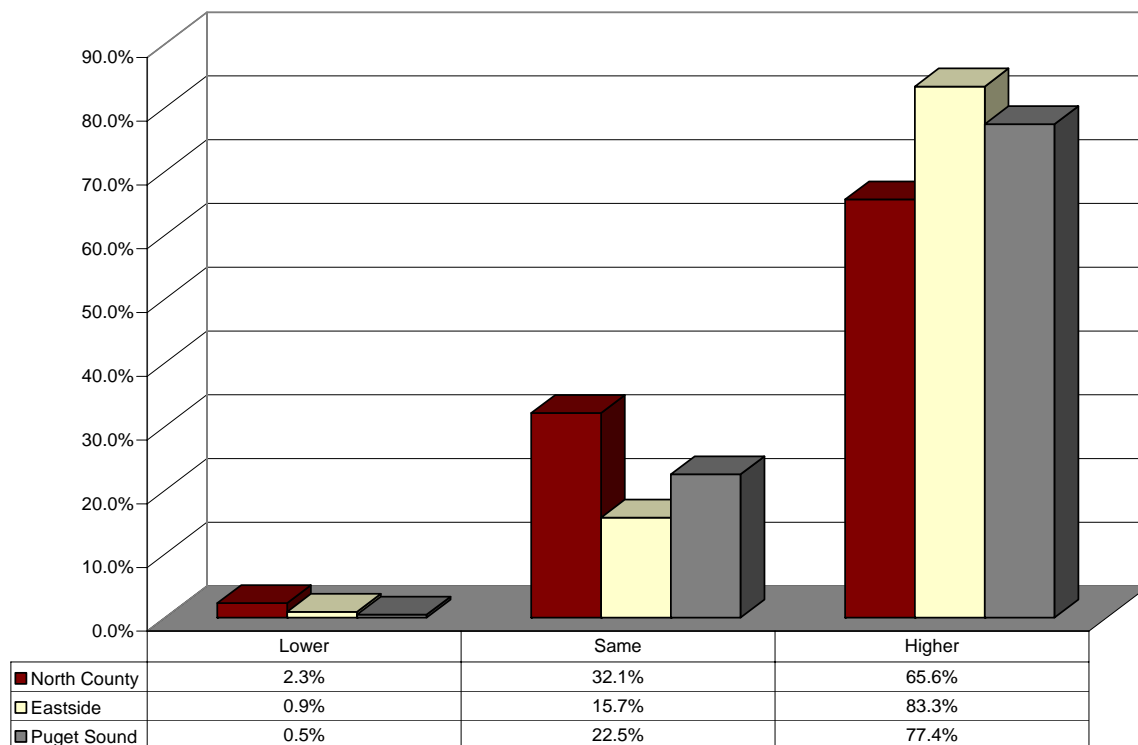
2005 Change In Wages And Salaries On A Per Employee Basis						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	0.43%	1.30%	0.00%	0.00%	0.00%	0.00%
-10% to -19%	0.67%	2.60%	0.00%	0.00%	0.00%	0.00%
-1% to -9%	1.20%	2.60%	3.03%	0.00%	0.00%	0.00%
No Change	32.11%	25.97%	42.42%	52.65%	40.82%	16.44%
1% to 9%	33.52%	42.86%	33.33%	21.05%	28.57%	34.25%
10% to 19%	14.82%	15.58%	9.09%	10.53%	9.18%	26.03%
20%+	17.25%	9.09%	12.12%	15.79%	21.43%	23.29%

Regional Comparisons – Expected Growth In Wages

In comparing the North King County survey with the Puget Sound business confidence for expected changes in wages, two-thirds (65.6%) of the North King County employers are expecting an increase in their wages, as compared to eighty-three percent (83.0%) for those on the Eastside and seventy-seven percent (77.4%) for the entire Puget Sound region.

The somewhat lower percentage for North King County is consistent with the earlier finding that a lower percentage of employers planned to increase in revenues. The reader should again keep in mind that the regional benchmarks are influenced by the larger regional employers, who may have an easier time increasing wages and passing these increases on to their customer base than the smaller local employers.

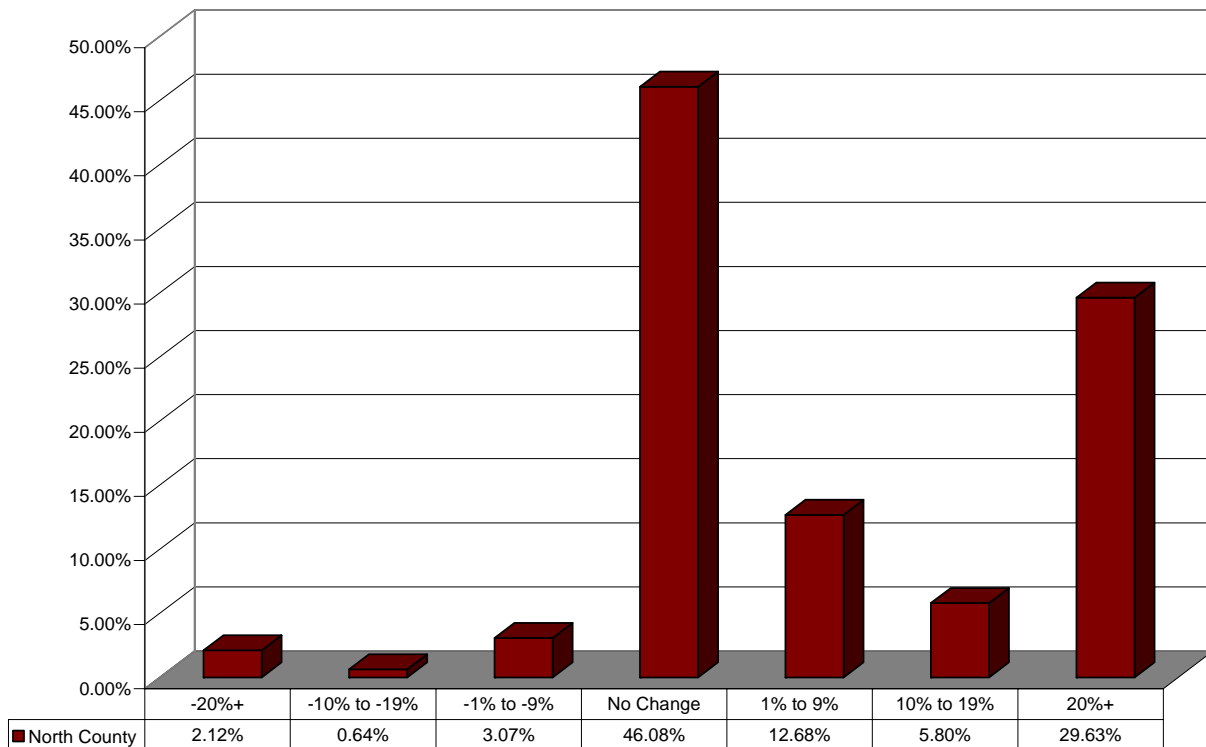
Expected Change in Wages - Next 12 Months



Expected Changes Over Next 12 Months - Advertising Expenses

Over the next year, slightly fewer than half of the North King County employers will be remaining the same in their advertising expenses (46.1%). However, a similar percent (48.1%) expected some increase in their advertising expenses (29.6% for over twenty percent and approximately 18% expected up to a 19% increase). Increases in advertising spending is another important economic indicator of optimism and confidence in the growth of the local economy. Differences by city were not statistically significant.

2005 Change In Advertising Expenses (North King County)

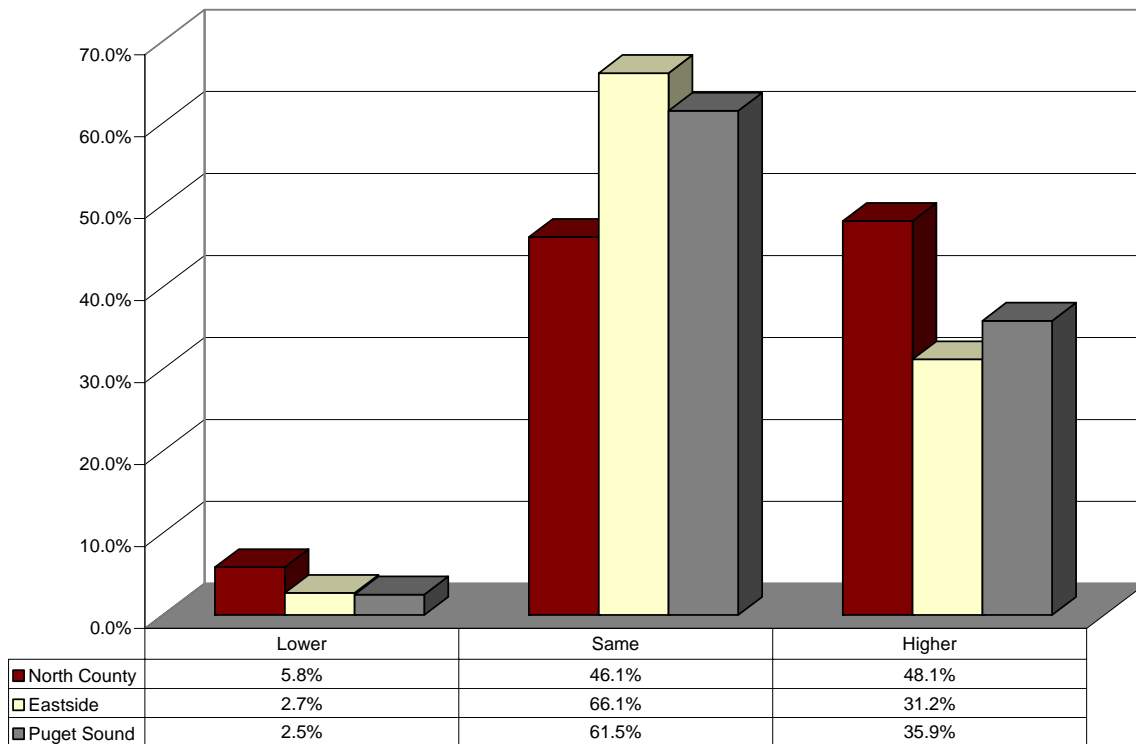


2005 Change In Advertising Expenses						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	2.12%	1.28%	0.00%	5.00%	3.06%	2.70%
-10% to -19%	0.64%	2.56%	0.00%	0.00%	0.00%	0.00%
-1% to -9%	3.07%	3.85%	3.03%	0.00%	1.02%	6.76%
No Change	46.08%	33.33%	54.55%	55.00%	55.10%	40.54%
1% to 9%	12.68%	17.95%	18.18%	10.00%	10.20%	9.46%
10% to 19%	5.80%	10.26%	9.09%	5.00%	1.02%	5.41%
20%+	29.63%	30.77%	15.15%	25.00%	29.59%	35.14%

Regional Comparisons – Expected Growth in Advertising

Advertising was one of only two indicators in which the North King County area ranked higher than the Eastside or Puget Sound. The North King County cities are expecting to spend more on advertising (48%) as compared to the Eastside (31.2%) and the Puget Sound region as a whole (35.9%).

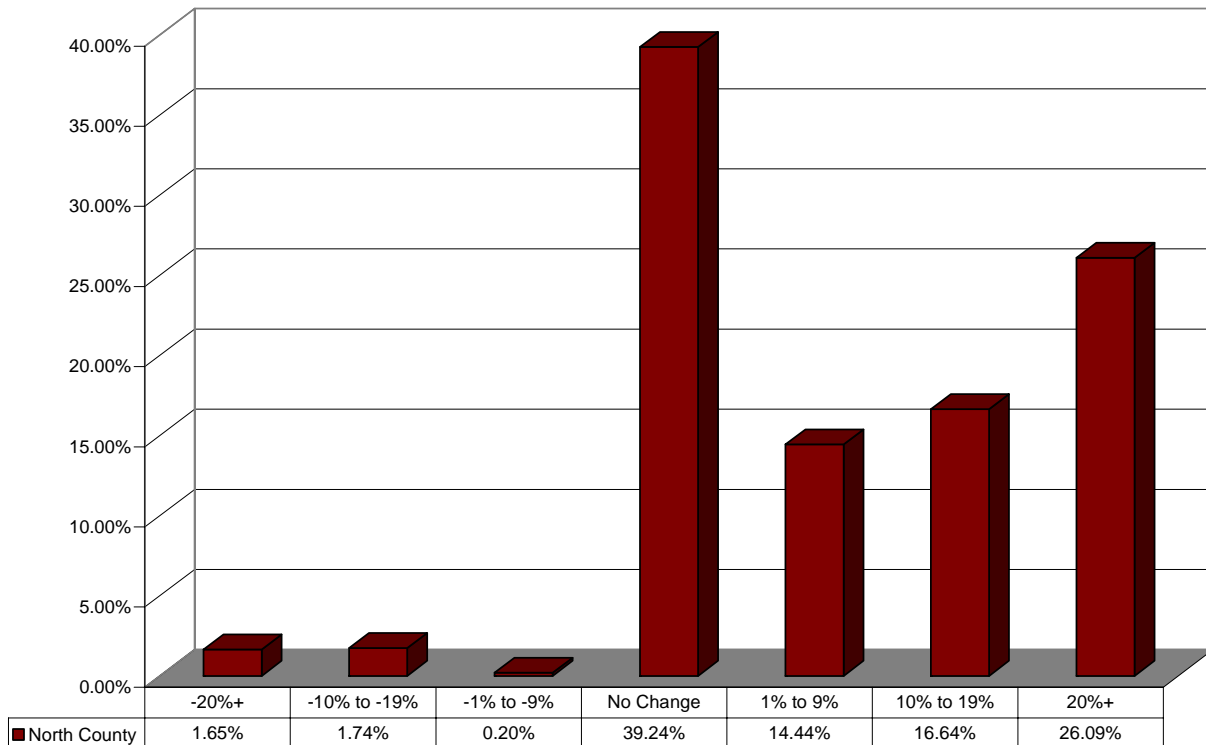
Expected Change in Advertising Expenses - Next 12 Months



Expected Changes Over Next 12 Months - Capital Goods/Equipment

Regarding the question of expected changes in investments in capital goods/equipment, forty percent did not expect a change, approximately fifteen percent (14.4%) expected an increase up to nine percent and another seventeen percent (16.64%) expected an increase between ten to nineteen percent. There were no significant differences between the different cities of North King County.

2005 Change In Investments In Capital Goods/Equipment (North King County)

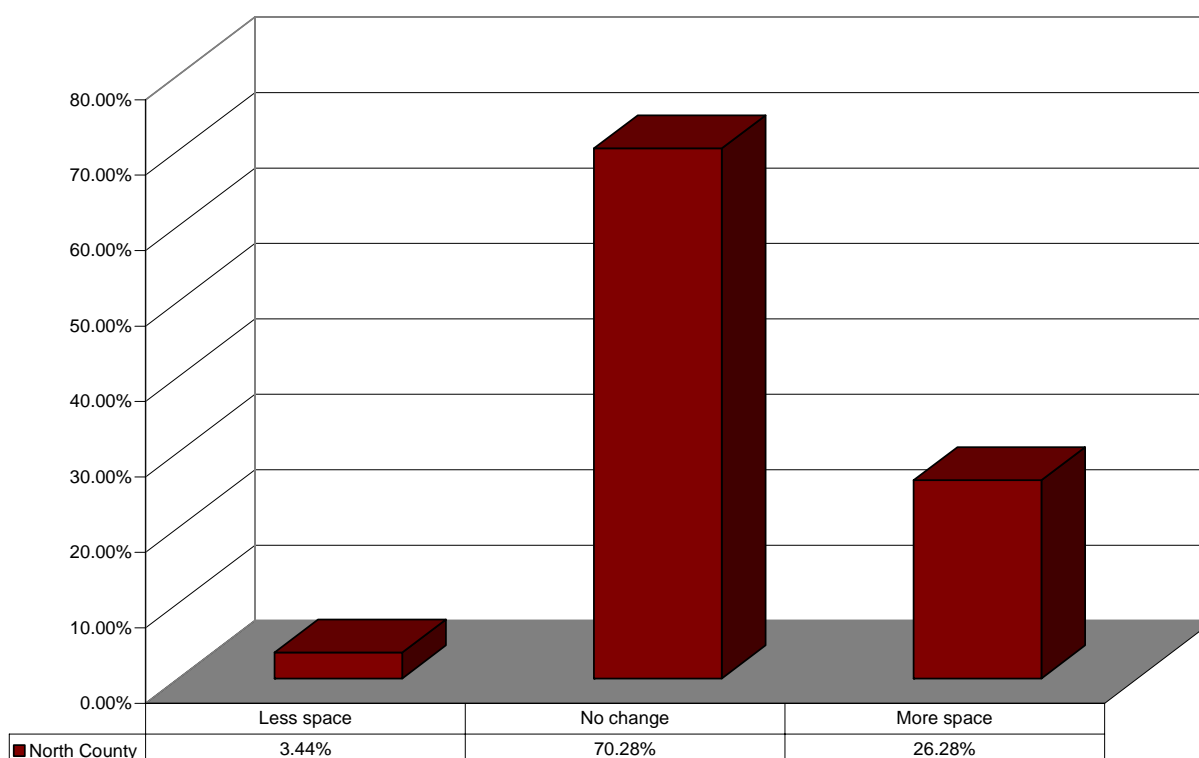


2005 Change In Investments In Capital Goods, Or Equipment						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	1.65%	1.28%	3.03%	0.00%	3.06%	0.00%
-10% to -19%	1.74%	0.00%	0.00%	0.00%	3.06%	2.74%
-1% to -9%	0.20%	1.28%	0.00%	0.00%	0.00%	0.00%
No Change	39.24%	39.74%	36.36%	52.63%	38.78%	36.99%
1% to 9%	14.44%	15.38%	24.24%	15.79%	13.27%	10.96%
10% to 19%	16.64%	17.95%	9.09%	10.53%	18.37%	17.81%
20%+	26.09%	24.36%	27.27%	21.05%	23.47%	31.51%

Expected Changes Over Next 12 Months - Real Estate Space Needed

The majority (70.28%) of all North King County employers reported no change in real estate occupied over the next 12 months. Very few businesses reported declines in real estate space occupied, while more than one-quarter expected to need additional space. It should be noted that an expectation of greater space requirements does not necessarily translate into a business expansion or actual new space being obtained. Differences between the North King County cities were not statistically significant. Newer employers were generally more optimistic than established employers ($p = .035$).

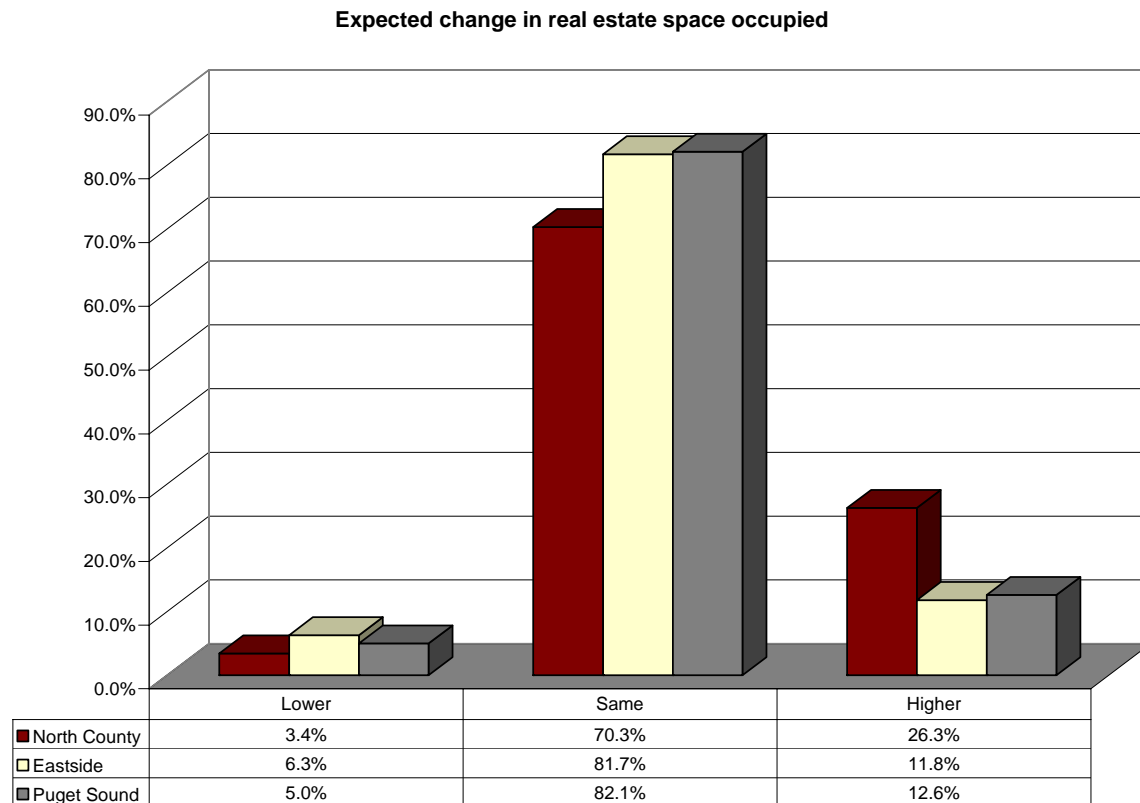
2005 Expectations for Real Estate Space Needed



2005 Change In Real Estate Space Needed						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Less Space	3.44%	7.90%	3.13%	0.00%	0.00%	2.70%
No Change	70.28%	64.47%	71.88%	68.42%	74.49%	71.62%
More Space	26.28%	27.64%	25.01%	31.58%	25.51%	25.68%

Regional Comparisons – Expected Growth In Space Needed

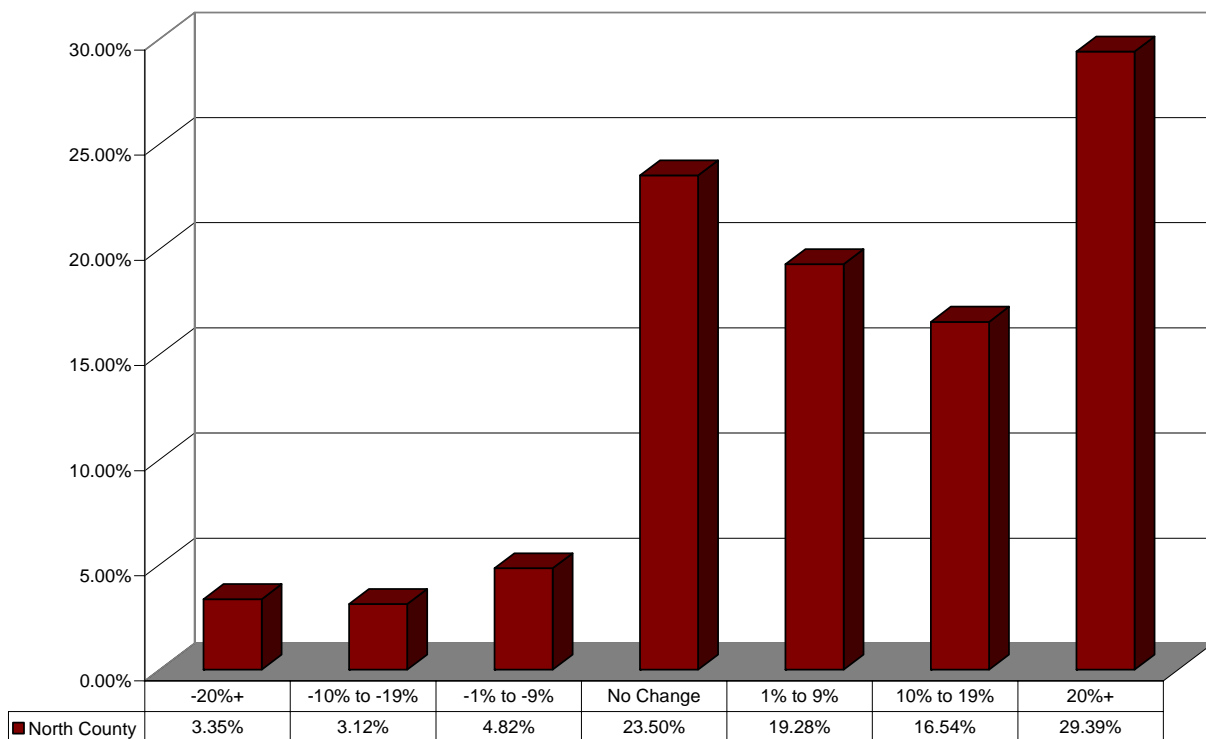
A higher percentage (26.3%) of North King County employers expected to increase total real estate space occupied in the coming year, as compared to 11.8% of Eastside companies and 12.6% of Puget Sound companies recently surveyed. This is an encouraging finding that helps support the other indicators of business confidence and optimism.



Expected Changes Next 12 Months - Net Income

A large number of employers in North King County expected positive changes in their net income. Twenty-nine percent (29.39%) expected an increase of a least 20%, nineteen percent expected an increase up to 9% and seventeen percent expected to increase their net income by over 20%. Net income directly relates to profitability and to the success of each employer in meeting their most important internal goals as well as those of their investors and stakeholders. An employer may be experiencing increases in sales or revenues but without a corresponding increase in net income, the overall result may not be desirable or sustainable.

2005 Change In Net Income (North King County)

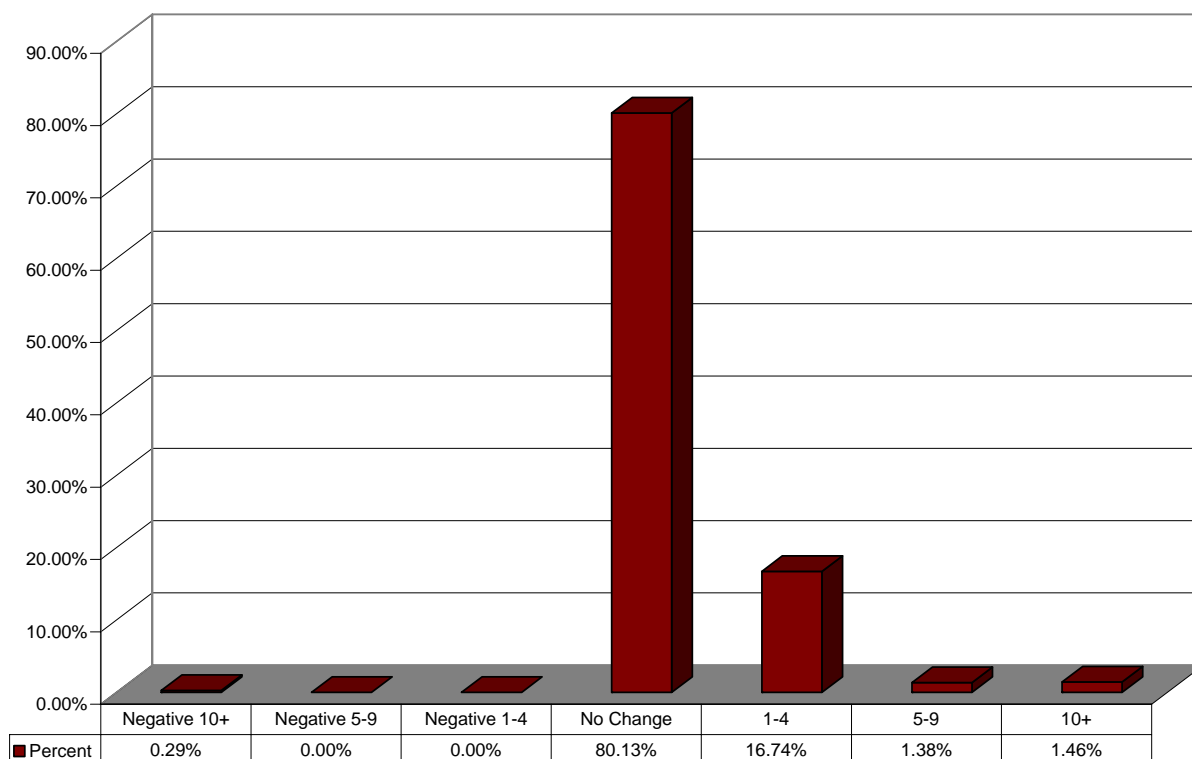


2005 Change In Net Income						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	3.35%	2.56%	3.03%	0.00%	5.10%	2.67%
-10% to -19%	3.12%	3.85%	3.03%	5.56%	2.04%	2.67%
-1% to -9%	4.82%	7.69%	3.03%	0.00%	7.14%	1.33%
No Change	23.50%	23.08%	24.24%	33.33%	22.45%	22.67%
1% to 9%	19.28%	19.23%	27.27%	16.67%	16.33%	21.33%
10% to 19%	16.54%	15.38%	15.15%	11.11%	13.27%	24.00%
20%+	29.39%	28.21%	24.24%	33.33%	33.67%	25.33%

Expected Changes in 2006 - Jobs

Eighty percent of employers (80.13%) expect no changes for their number of jobs in North King County in the year 2006. However, almost no one (0.29%) reported a decline and around seventeen percent reported an expected increase of up to 4 jobs. On average, the North King County cities expect to increase by 0.56 jobs during 2006, representing a change of 4.4% based on an average of 12.83 jobs by February 2006. There were no significant differences by city.

2006 Projected Change Of Number Of Jobs Within North King County

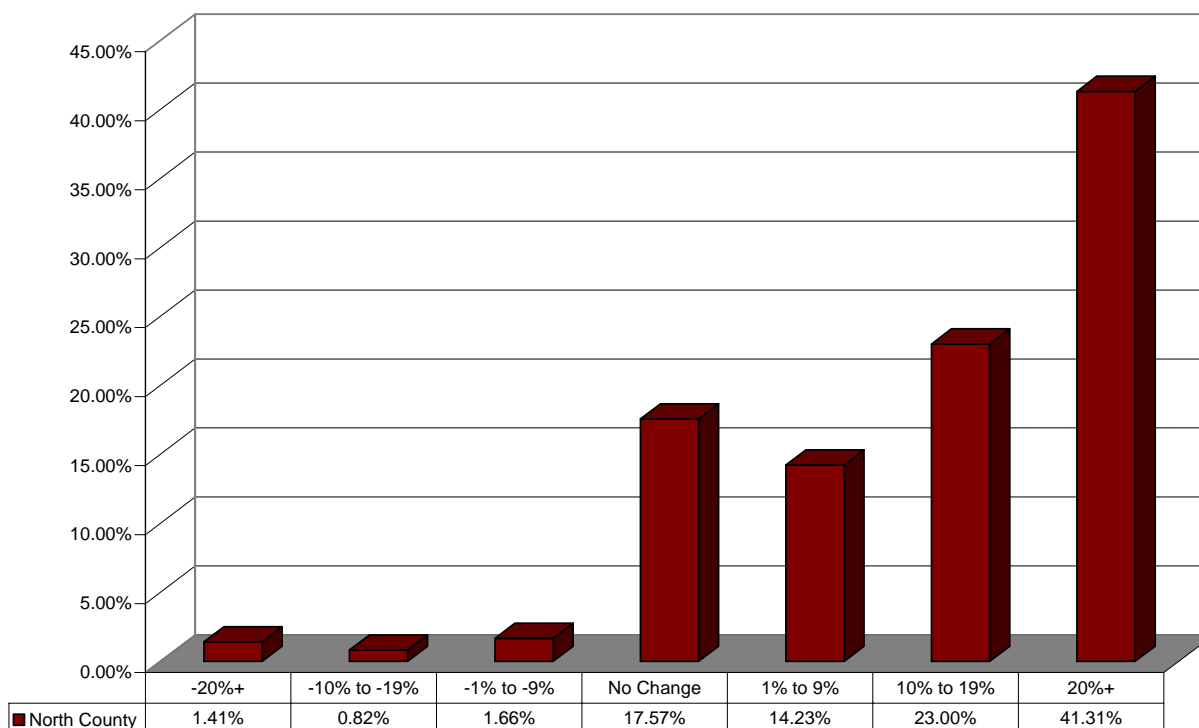


2006 Projected Change Of Number Of Jobs Within The North King County Cities						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Negative 10+	0.29%	1.39%	0.00%	0.00%	0.00%	0.00%
Negative 5-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Negative 1-4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No Change	80.13%	73.61%	77.78%	88.24%	87.18%	77.46%
1-4	16.74%	22.22%	18.52%	11.76%	8.97%	19.72%
5-9	1.38%	0.00%	0.00%	0.00%	3.85%	1.41%
10+	1.46%	2.78%	3.70%	0.00%	0.00%	1.41%
Average	0.56	0.89	0.59	0.29	0.49	0.38

Expected Changes in 2006 - Revenues

The expected changes for 2006 for total revenues were quite strong, with 78.5% anticipating an increase. Forty-one percent (41.3%) of the employers expected an increase of over 20% in total revenues and twenty-three percent (23.0%) expect an increase between 10% and 19% in 2006. Differences between cities were not statistically significant.

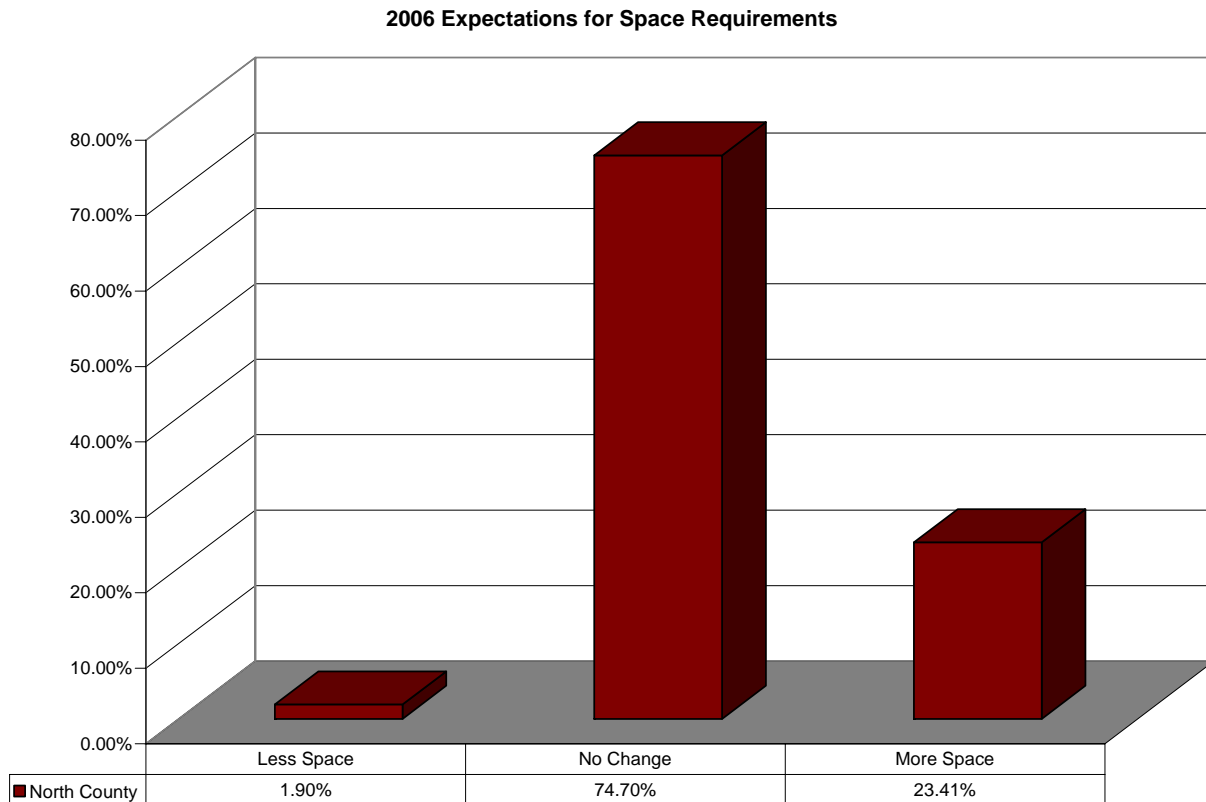
2006 Projected Change In Total Revenue From North King County Business Operations



2006 Projected Change In Total Revenue From North King County Business Operations						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
-20%+	1.41%	1.28%	0.00%	0.00%	2.06%	1.35%
-10% to -19%	0.82%	0.00%	0.00%	0.00%	2.06%	0.00%
-1% to -9%	1.66%	1.28%	0.00%	0.00%	4.12%	0.00%
No Change	17.57%	11.54%	12.50%	21.05%	24.74%	14.86%
1% to 9%	14.23%	12.82%	15.63%	10.53%	17.53%	12.16%
10% to 19%	23.00%	30.77%	15.63%	10.53%	20.62%	24.32%
20%+	41.31%	42.31%	56.25%	57.89%	28.87%	47.30%

Expected Changes In 2006 - Total Space Needed

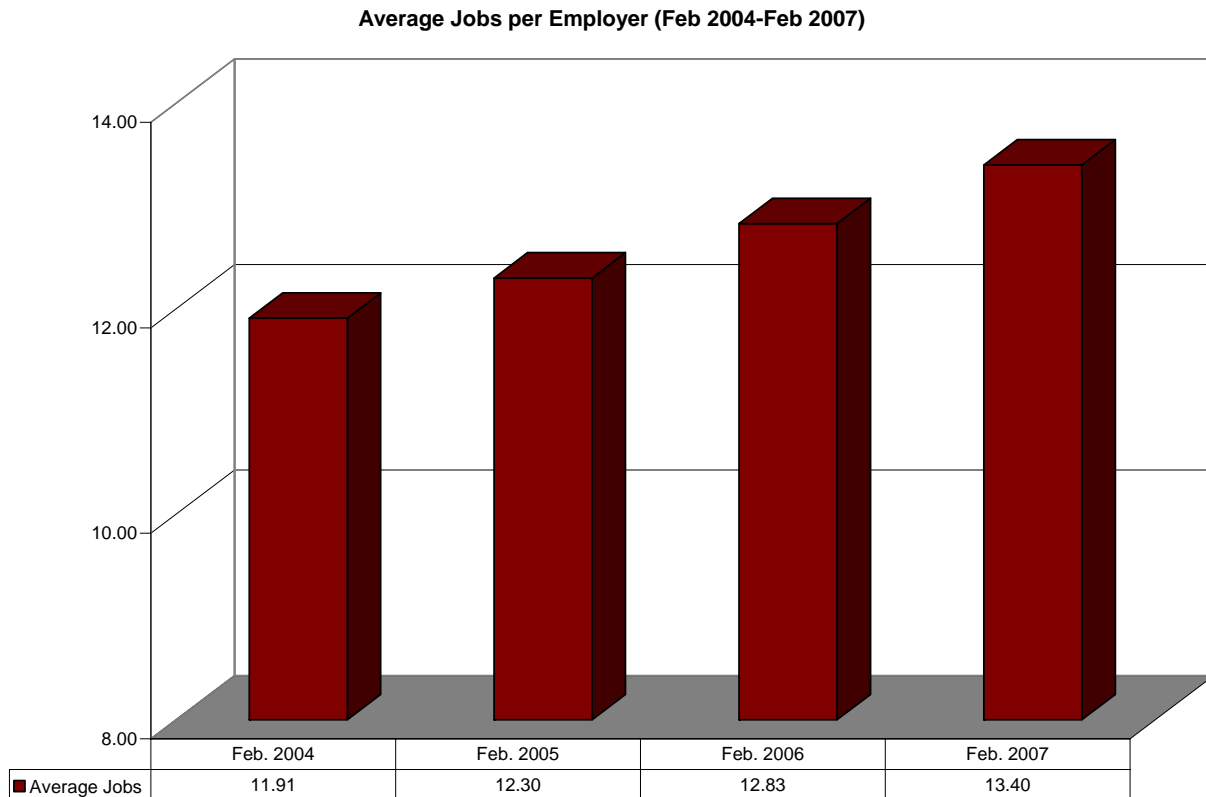
A majority of the employers (74.7%) expected no change in the amount of real estate space occupied. Less than one out of four employers (23.4%) expected to need additional space in 2006. Differences between cities were again not statistically significant.



2006 Change In Real Estate Space Needed						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Less Space	1.90%	1.28%	0.00%	0.00%	2.02%	2.70%
No Change	70.28%	64.47%	71.88%	68.42%	74.49%	71.62%
More Space	23.41%	25.64%	33.33%	25.00%	13.13%	32.43%

Employment Forecast: Average Jobs Per Employer Feb. 2004 – Feb. 2007

Estimates of changes in average jobs per employer between 2004 and 2007 were developed by applying the recent and expected changes in jobs to the current known average per employer from the Economic Profile (Volume 2). The average North King County employer grew from 11.9 to 12.3 jobs over the last year, for a gain of 3.3%. Over the next 2 years, local employers expect to grow to 13.4 jobs by February 2007, for an expected gain of 9.2%, or approximately 4.6% per year on average. Thus, the typical employer expects that 2006 will be somewhat stronger than 2005 in rates of job growth.



Average Jobs Continued...

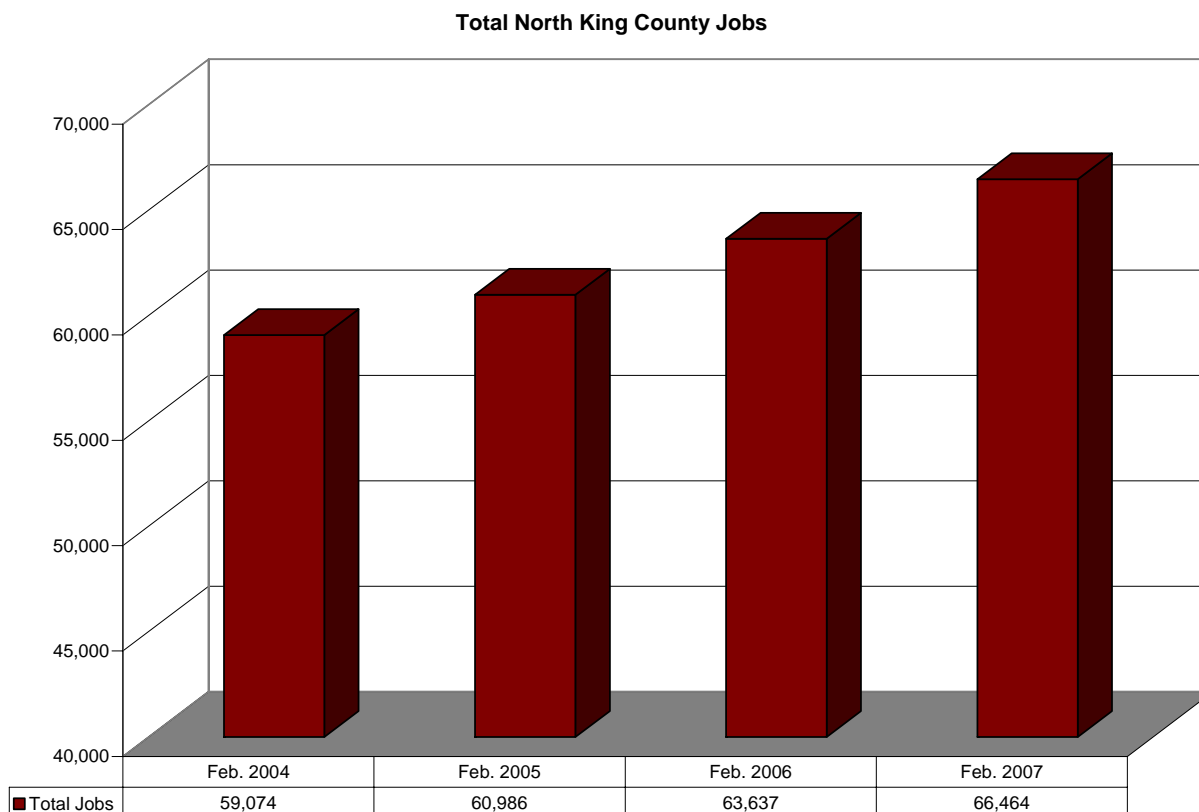
The following table summarizes the employment expectations and averages for each North King County city and for the study area as a whole.

Summary of Employment Changes by North King County City						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Feb. 2004	11.91	14.21	8.37	5.61	11.60	12.80
Feb. 2005	12.30	14.69	8.79	6.00	11.73	13.41
Feb. 2006	12.83	15.28	9.55	6.35	12.10	14.05
Feb. 2007	13.40	16.17	10.14	6.64	12.59	14.43
Change '04-'05	0.39	0.48	0.42	0.39	0.13	0.61
Change '05-'06	0.53	0.59	0.76	0.35	0.37	0.64
Change '06-'07	0.57	0.89	0.59	0.29	0.49	0.38
Expected Change '05-'07	1.10	1.48	1.35	0.64	0.86	1.02
Total Expected 2-Year Change as a % of Feb. 2005 Level	9.2%	10.4%	16.2%	11.4%	7.5%	7.9%
Avg. Expected Change - Next 2 Years	4.6%	5.2%	8.1%	5.7%	3.7%	4.0%
Percent Change Last 12 Months	3.3%	3.4%	5.1%	7.0%	1.1%	4.8%

Employment Forecast: Total North King County Employment Feb. 2004 – Feb. 2007

By applying the average job figures to the known base of 4,960 North King County employers, estimates were developed of how total employment within the five cities will change over the next 2 years. The baseline level for February 2005 is 60,986, which corresponds to the “current year” employment estimate reported in the Economic Profile report (based on the latest 3rd Quarter 2004 data). This data point was then adjusted backwards and forwards in time using the changes in average jobs per employer previously discussed. The chart below displays the three-year forecast series and the table on the following page shows the actual calculations.

Essentially the forecast indicates that 1,912 jobs were created over the last year, 2,651 jobs will be created in the next year, and another 2,827 jobs will be created the following year (in 2006).



Total North King County Employment Continued...

Summary Of Recent And Expected Job Growth

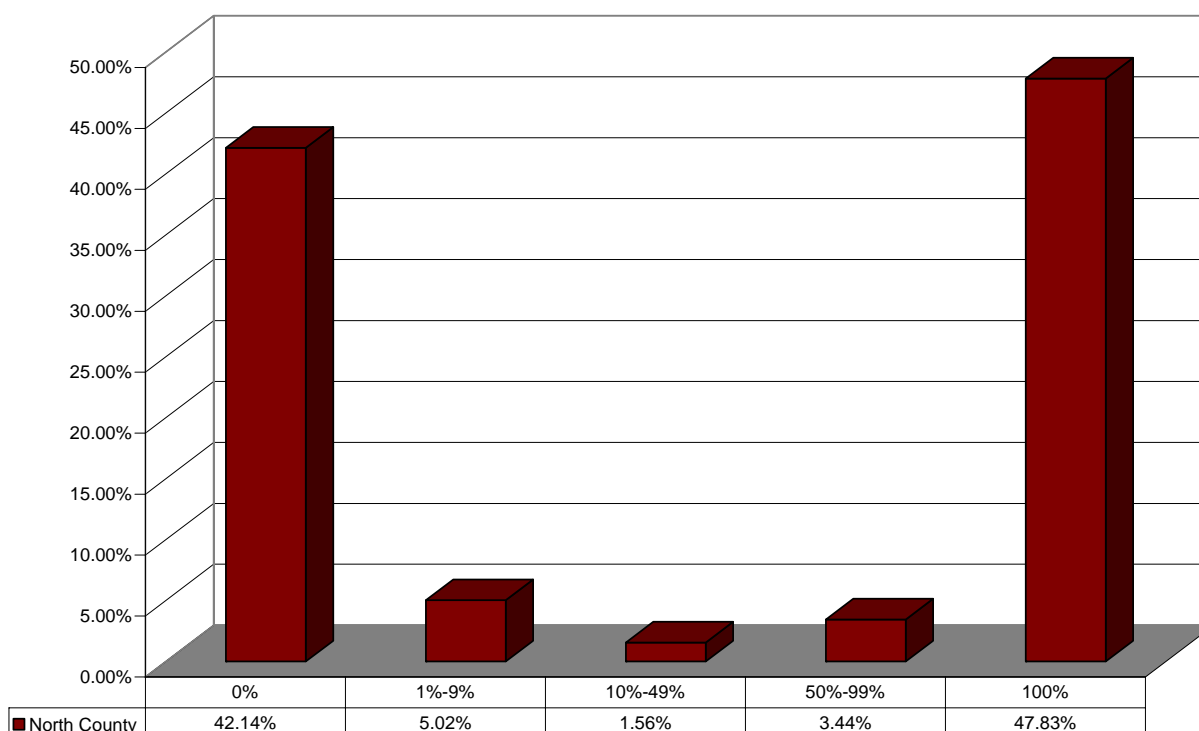
Time Period	Average Jobs per Employer	Employers	Total Employment
Feb. 2004	11.91	4,960	59,074
Feb. 2005	12.30	4,960	60,986
Feb. 2006	12.83	4,960	63,637
Feb. 2007	13.40	4,960	66,464
Change '04-'05	0.39	na	1,912
Change '05-'06	0.53	na	2,651
Change '06-'07	0.57	na	2,827

Note: Current employment was reported as 60,986 in the Economic Profile report, based on 4,960 employers.

Percent of Full-Time Employees with Access to Health Care Plan

On average, approximately one-half (50.33%) of all full-time employees within the North King County cities qualify for an employer-sponsored health care plan. Differences between cities were statistically significant ($p=.002$) because of the differences in industry mix between the cities. With the largest number of major employers largely clustered in the high-tech office parks, Woodinville and Bothell had much higher averages than the other cities. Statistics also show that small organizations (1-19 employees) are less likely to have employer-sponsored health care (45.3%) compared to mid-sized (20-49 employees) (83.5%) and large (50+ employees) organizations (83.6%). ($p = .000$) Established employers were more likely to offer health coverage (59.0%) compared to newer employers (27.3%). ($p=.001$)

Percent Of Full Time Employees That Have Access To Healthcare (North King County)



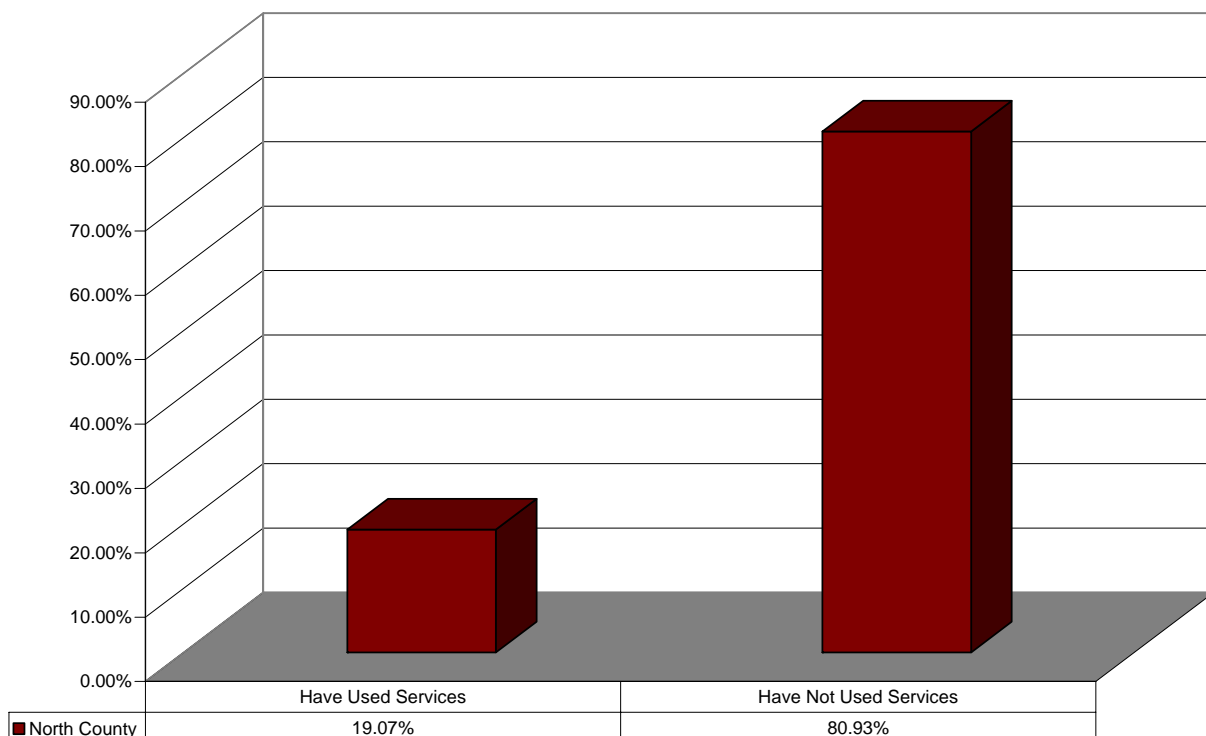
Percent Of Full Time Employees That Have Access To Healthcare						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
0%	42.14%	43.48%	51.61%	61.11%	47.31%	25.00%
1%-9%	5.02%	0.00%	9.68%	5.56%	5.38%	7.35%
10%-49%	1.56%	4.35%	0.00%	0.00%	1.08%	1.47%
50%-99%	3.44%	0.00%	6.45%	0.00%	4.30%	2.94%
100%	47.83%	52.17%	32.26%	33.33%	41.94%	63.24%
Average	50.33%	52.65%	37.82%	35.20%	44.51%	65.73%

Use Higher Education Services for Worker Training

Less than twenty percent (19.1%) of the North King County employers have used local higher educational institutions for worker training or additional education for their staff. Differences between cities were not statistically significant ($p=.118$). Data shows that the Manufacturing Industry (31.6%) is more likely to have used the services of an institution of higher education in North King County to send workers for training or further education followed by Services (25.2%), Other (21.2%), Retail (17.4%), Construction (10.71%), Tourism-Related (4.8%) and Finance/Insurance/Real Estate (3.4%). ($p = .001$)

This information offers local trade schools and community colleges the opportunity to assess programs, evaluate their relevance to the business community and possibly expand their clientele by appealing to a broader base of employers.

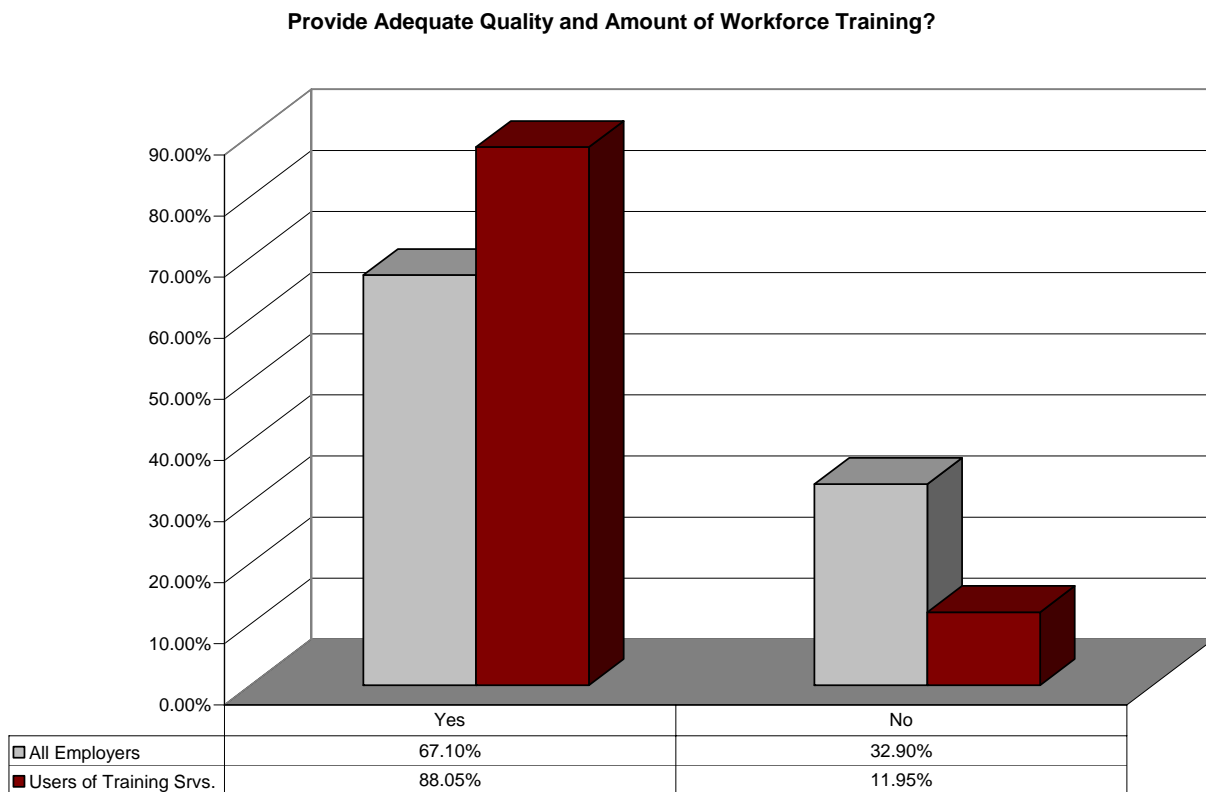
North King County - Usage Of Higher Education/Workforce Services



Usage of Higher Education/Workforce Services						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Have Used Services	19.07%	16.00%	28.13%	21.05%	21.43%	13.51%
Have Not Used Services	80.93%	84.00%	71.88%	78.95%	78.57%	86.49%

Do Colleges In North King County Provide Adequate Quality And Amount of Training Needed For Their Workforce?

Two-thirds (67.1%) of all North King County employers and 88% of those who used higher education programs indicated that the quality and amount of such training was adequate for their workforce needs. Differences between users and non-users were statistically significant ($p=.000$) and there was a strong statistical relationship (measure of association) between perceptions of quality and whether or not a company had used these services (Cramer's $V = .244$).

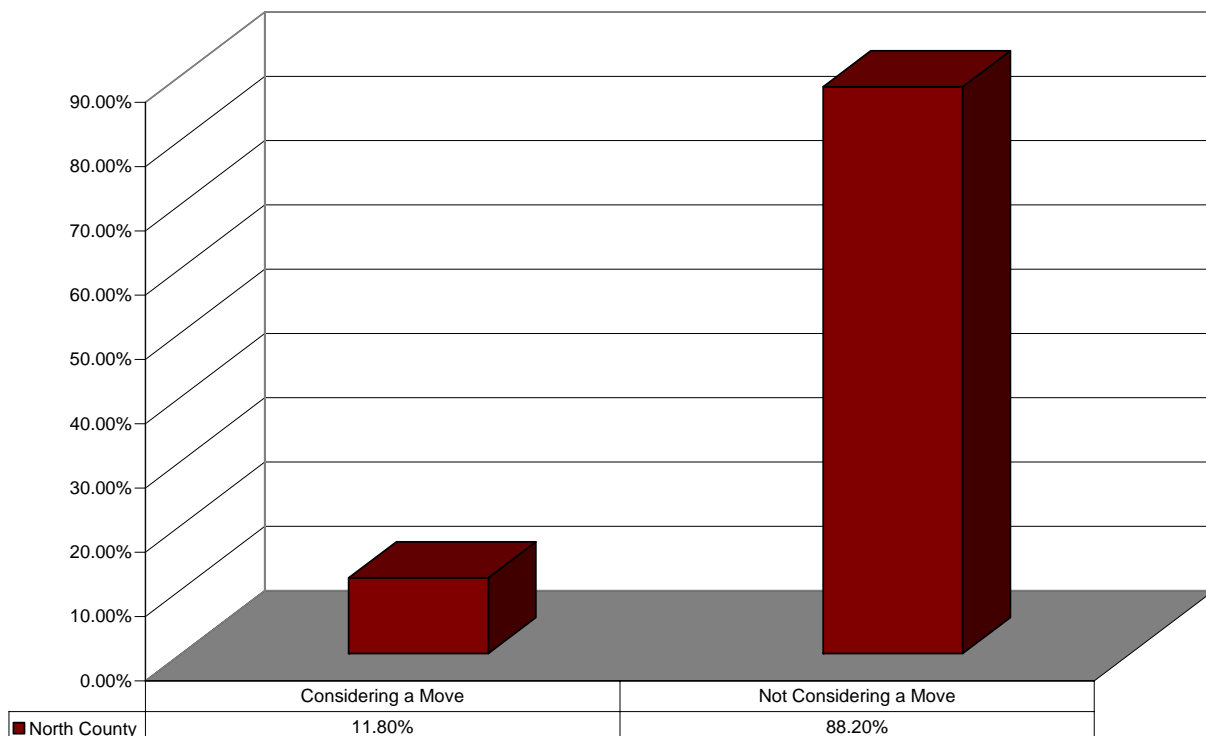


Provide Adequate Training (Total Sample, users and non-users included)						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Yes	69.10%	64.28%	68.18%	68.75%	71.95%	61.54%
No	32.90%	35.71%	31.82%	31.25%	28.05%	38.46%

Is Business Considering Moving Outside North King County?

Twelve percent (11.8%) of all North King County employers interviewed reported that their business is considering moving outside the area. Differences between cities were not statistically significant ($p=.364$). This is an important indicator to monitor in future years by each city. Verbatim comments revealed areas of dissatisfaction among these employers in the amount of traffic congestion and road construction, taxes and regulations both from the state government and local municipalities. Further analysis showed that this was a fairly broad-based expectation, not limited to only a few industries or sizes of employers. The 12% segment is similar to the percentage of South King County employers considering moving (surveyed in Fall 2004).

Considering A Move Outside North King County Area (All Employers)



Considering A Move Outside North King County Area						
	North County	Bothell	Kenmore	Lake Forest Park	Shoreline	Woodinville
Considering a Move	11.80%	14.29%	15.63%	5.26%	8.33%	13.89%
Not Considering a Move	88.20%	85.71%	84.38%	94.74%	91.67%	86.11%

Summary of 2005 Forecast

The findings from the survey of employers provided the research basis for developing the 2005 economic forecast for the North King County area. The major highlights of the forecast are summarized in the bullet points listed below:

The 2005 Forecast

- A total of 2,651 jobs will be created in 2005 within the five North King County cities. This represents a 4.3% increase for the year.
- More than two out of three (68.8%) North King County employers expect to increase in total revenue in 2005.
- A total of 65.6% of North King County employers expect to increase wages on a per-person basis in 2005.
- Nearly half (48.1%) of North King County employers expect to increase their advertising spending in 2005.
- Fifty-seven percent of the employers expect to increase spending on capital goods or equipment in 2005.
- More than one-quarter of employers anticipate needing more space in the next year.
- Two-thirds (65.2%) of employers expect to increase their net income over the next year.

Regional, Statewide and National Comparisons

1) Job Growth – Statewide and National Comparisons

The 4.3% expected rate of job growth in 2005 within the five North King County cities is impressive when compared against recently published statewide and national forecasts available from the Washington State Office of the Forecast Council (November 2004 edition). The latest forecasts call for a 1.7% rate of growth nationwide and a 2.0% growth rate statewide in employment during calendar year 2005.

2) Job Growth - Puget Sound Comparisons

When compared to Eastside and Puget Sound companies, a much smaller percentage (27%) of North King County employers expected to increase jobs in the coming year, as compared to 63.3% of Eastside companies and 53.4% of Puget Sound companies recently surveyed. In making these comparisons, it should be noted that the Puget Sound quarterly study uses a somewhat different sampling frame that is weighted towards the larger regional employers (60% have at least \$5 million sales) while the North King County study survey sample is proportionately weighted to the actual distribution of employers. One should keep in mind that

the typical North King County employer only has a few employees and can potentially increase in sales without having to add any additional workers.

3) Revenue Growth - Puget Sound Comparisons

When compared against Eastside and Puget Sound companies, a somewhat smaller percentage (68.8%) of North King County employers expected to increase total revenues in the coming year, as compared to 81.1% of Eastside companies and 82.1% of Puget Sound companies recently surveyed. *However, given that the Puget Sound benchmarks reflect the dominance of the larger regional employers, the North King County survey results are still impressive in the degree of confidence in the economic growth of these five cities.*

4) Wages and Salaries – Puget Sound Comparisons

In comparing the North King County survey with the Puget Sound business confidence for expected changes in wages, only about two-thirds (65.6%) of the North King County employers are expecting an increase in their wages, as compared to eighty-three percent (83.0%) for those on the Eastside and seventy-seven percent (77.4%) for the entire Puget Sound region. *The somewhat lower percentage for North King County is consistent with the finding that a lower percentage of employers planned to increase in revenues.* The reader should again keep in mind that the regional benchmarks are influenced by the larger regional employers, who may have an easier time increasing wages and passing these increases on to their customer base than the smaller local employers.

5) Advertising – Puget Sound Comparisons

Advertising was one of only two indicators in which the North King County area ranked higher than the Eastside or Puget Sound. The North King County cities are expecting to spend more on advertising (48%) as compared to the Eastside (31.2%) and the Puget Sound region as a whole (35.9%).

6) Space Requirements – Puget Sound Comparisons

A higher percentage (26.3%) of North King County employers expected to increase total real estate space occupied in the coming year, as compared to 11.8% of Eastside companies and 12.6% of Puget Sound companies recently surveyed. This is an encouraging finding that helps support the other indicators of business confidence and optimism.

Conclusions

The following summarizes the key findings and conclusions based on an analysis of the survey data:

The employment forecast indicates that 1,912 jobs were created over the last year, 2,651 jobs will be created in the next year, and another 2,827 jobs will be created the following year (in 2006). These represent healthy rates of growth and point to a generally strong and positive business outlook among local employers.

One of the most important economic indicators is revenue growth. Over the last year (in 2004) the majority (63.4%) of North King County employers increased in revenue. A total of 68.8% of North King County employers expect to increase their total revenues in the coming year (2005).

North King County employers rated the performance of their industry moderately high over the next 12 months, with an average rating of 6.98. Forty-four percent of all employers gave high ratings of 8, 9 or 10, while only 2.4% gave low ratings of 0-3.

Most North King County employers cited slow growth in the economy and high costs of doing business, including insurance, taxes, rents and wages as the most pressing current challenges facing the industries in the North County area.

According to the employers surveyed, the North King County economy as a whole was rated moderately high in its growth potential over the next 12 months. Respondents gave an overall average mean rating of 6.46 on the 0-10 scale, with 23.5% giving high ratings and only 4.0% giving low ratings. *This is slightly higher than the Puget Sound regional average of 6.30 in the last (December 2004) survey.*

In terms of advantages, convenient location was an important factor mentioned. There were frequent comments regarding being conveniently located within the greater Seattle area economy, which was perceived to be expanding. Also mentioned was the closeness to high technology employers, convenience to Seattle and “small town feel.”

Overall, traffic and high taxes were cited as major disadvantages to being located in a North King County city. Also mentioned were unfriendly local government, distance from Seattle, the perceived high costs of doing business and concerns about housing affordability.

North King County employers generally gave above-average ratings for the competitiveness of their respective cities across a wide range of community attributes, which averaged 6.23 on the 0-10 scale (for the 11 attributes shown in the first table below). However, they gave rather mediocre ratings for the performance of local government staff in promoting business growth and ensuring competitive taxes and policies, averaging only 5.26. *The top 3 community*

Conclusions Continued...

attributes overall were: desirable place to live, quality K-12 schools and a variety of local retail and services.

Overall, the typical North King County employer had an average of 12.3 jobs. Lake Forest Park employers had the smallest average, at 6.00 jobs. Bothell and Woodinville had the highest averages, at 14.69 and 13.41, respectively.

Overall, North King County employers reported having grown by an average of 0.39 jobs, which represents an annual growth rate of 3.3% when applied to the current average of 12.30 jobs per employer. The percentage of employers remaining the same varied between 74% and 83% and differences between cities in growth rates were not statistically significant.

Very few employers reported having decreased in their spending on capital goods and equipment in the last year. A total of 44.4% reported staying the same, while a slight majority of 52.9% reported increasing spending in this area.

Over the next year, the typical North King County employer will be remaining the same in their employment levels (73%). However, no employers expected a decline and 27% expect to increase jobs in the next 12 months.

The most common type of job that will be hired in the next 12 months by North King County employers is “clerical/secretarial,” followed by sales positions.

Although about thirty-two percent of the employers in North County expected no change in the wages and salaries of their employees on a per employee basis, an almost equal number (33.2%) expected up to a nine percent increase in the wages. Seventeen percent (17.25%) expected an increase of over twenty percent in wages on a per employee basis.

Over the next year, slightly fewer than half of the North King County employers will be remaining the same in their advertising expenses (46.1%). However, a similar percent of employers expected some increase in their advertising expenses.

Regarding the question of expected changes in investments in capital goods/equipment in 2005, forty percent did not expect a change, approximately fifteen percent (14.4%) expected an increase up to nine percent and another seventeen percent (16.64%) expected an increase between ten to nineteen percent.

A large number of employers in North King County expected positive changes in their net income over the coming year. Twenty-nine percent (29.39%) expected an increase of a least 20%, nineteen percent expected an increase up to 9% and seventeen percent expected to increase their net income by over 20%.

Conclusions Continued...

Twelve percent of all North King County employers interviewed reported that their business is considering moving outside the area. The 12% segment is similar to the percentage of South King County employers considering moving (surveyed in Fall 2004). Reasons given for dissatisfaction by these particular employers included traffic congestion and road construction, and issues with both local and statewide government regarding taxes and regulations.

The majority of businesses (80.13%) projected no changes for the number of jobs in North King County in 2006. However, almost no business (0.29%) reported to expecting a decline in 2006 and about seventeen percent reported to an expected increase of up to 4 jobs.

The projected changes for 2006 for business operations were quite high. Forty one percent (41.3%) of the businesses expected an increase of over 20% in total revenues; twenty-three percent (23.0%) projected an increase between 10% and 19% in 2006.

Three-quarters of the employers (74.7%) projected no change in the real estate space occupied for 2006 and less than one out of four are expected to need additional space during that year.

Applying the recent and expected changes in jobs to the current known average per employer from the Economic Profile report enabled estimates of change between February 2004 and February 2007 in average employment levels for North King County. The average North King County employer grew from 11.9 to 12.3 jobs over the last year, for a gain of 3.3%. Over the next 2 years, local employers expect to grow to 13.4 jobs by February 2007, for an expected gain of 9.2%, or approximately 4.6% per year on average. Thus, the typical employer expects that 2006 will be somewhat stronger than 2005 in rates of job growth.

The typical North King County employer reported that approximately one-half (50.33%) of all full-time employees qualify for an employer-sponsored health care plan. Differences between cities were statistically significant because of the differences in industry mix between the cities. With the largest number of major employers largely clustered in the high-tech office parks, Woodinville and Bothell had much higher averages than the other cities.

Less than twenty percent of the North King County employers have used local higher educational institutions for worker training or additional education for their staff. This information offers local trade schools and community colleges the opportunity to assess programs, evaluate their relevance to the business community and possibly expand their clientele by appealing to a broader base of employers.

Two-thirds of all North King County employers and 88% of those who used higher education programs indicated that the quality and amount of such training was adequate for their workforce needs. Differences between users and non-users were statistically significant and there was a strong measure of association between perceptions of quality and whether or not a company had used these services.

Conclusions Continued...

The typical employer interviewed was a services business (41.3%), locally-headquartered (87.5%), a small business with less than 20 employees (87.6%) and making less than \$250,000 per year in annual revenue.

Research Recommendations

Based on the research conducted and having worked with the five North King County cities in this economic development research effort, Hebert Research would like to make several recommendations for follow-up research or further study:

1. It is recommended that this study be repeated or updated every other year in order to accurately track changes over time in the various key economic and community indicators and provide feedback on the success of economic development initiatives or changes put into place as a result of the initial study.
2. Further research is recommended to examine in greater depth the workforce training needs of North King County employers and examine issues such as the availability, awareness, affordability and performance of these programs and services.
3. It is recommended that using the information in this study, the five cities work closely to help position themselves as a single geographic region. This may necessitate additional feedback from major stakeholders, city staff and large employers on how best to coordinate this effort.
4. It was apparent in the qualitative (verbatim) responses as well as in the low-to-moderate performance ratings for local city government staff that in the minds of employers there are disconnects between their perceived business needs and requirements and what is being provided by local government agencies. Further research in the form of focus groups could be used to enable staff members to better understand how they can support business growth and foster a more competitive business climate.

Questionnaire

Hello, may I please speak with **[NAME PROVIDED, OR:]** the owner, president or branch manager of the company? **[TRY TO GET MAIN BRANCH OF NORTH COUNTY] [RE-INTRODUCE YOURSELF IF NECESSARY.]** I'm a research assistant from Hebert Research calling on behalf of the North King County cities and employers. We are conducting a survey of business confidence and trends within several leading industries in Kenmore, Lake Forest Park, Shoreline, Bothell and Woodinville. The overall research findings will be presented in April at a special event you may attend. I can assure you that your individual answers will remain strictly confidential. May I please ask you some questions? Thank you!

S1. PRE-CODE INDUSTRY/TYPE OF FIRM FROM LIST

S2. PRE-CODE NAME OF CITY

1. Using a 0 to 10 scale, how would you rate the expected performance of your specific industry in North King County over the next 12 months, with 10 being "excellent" and 0 being "poor."
2. What would you say are the most pressing current challenges facing your industry in the North County area? **[VERBATIM; PROBE FOR MAJOR BUSINESS, ECONOMIC, POLITICAL OR GOVERNMENTAL CHALLENGES]**

OVERALL BUSINESS CONFIDENCE

3. How would you rate your OVERALL level of confidence in the health of the local economy in the North King County area over the coming 12 months, using a 0-10 scale, with 10 being "a very high rate of expansion and growth" and 0 being "a severe downturn"?

WHAT ARE THE ADVANTAGES OF BEING LOCATED IN YOUR CITY?

4. What do you see as the biggest advantages of being located in your city, or the greatest strengths of your community from a business perspective? **[VERBATIM]**
5. What do you see as the major disadvantages? **[VERBATIM]**

COMPETITIVENESS OF NORTH COUNTY CITIES

I'd like you to rate the competitiveness of your city in the greater King and Snohomish County area in several key aspects, using a 0-10 scale with a "10" meaning it is "highly competitive" and a "0" rating meaning it is "not at all competitive."

[ROTATE]

6. A desirable place to live
7. Quality of the local K-12 schools
8. A place to find affordable housing options within King County

9. Variety of local retail, restaurants and services
10. A strong local central business district ("CBD")
11. Appeal of the city as a place to visit
12. Ease of getting around within your city
13. Convenience of getting from your city to major urban centers like Seattle, Bellevue, or Everett
14. Affordable commercial real estate (land value & lease rates)
15. Competitive local government taxes, rules and regulations
16. The efforts of city staff and elected officials to promote business retention and expansion
17. Growth of local economy and local employment base
18. Growth of local consumer base

HIGHER EDUCATION/WORKFORCE TRAINING

19a. Have you used the services of an institution of higher education in North King County to send workers for training or further education? Examples of these local schools include UW Bothell Branch campus, Shoreline Community College, Cascadia Community College, Bastyr University or ITT Technical.

1. Yes
2. No
3. Refused
4. Don't know

19b. Do the colleges in North King County provide the quality and amount of preparation and training that you need for your workforce?

1. Yes
2. No
3. Don't know

RECENT CHANGES (DURING 2004)

I'd like to ask a few questions about how local business conditions have been changing over the last year, or in calendar year 2004. For each, please give the percentage you estimate that level has changed in calendar year 2004. If the level has stayed the same you can say "0" or give a negative percentage if it is declining.

20. Total employment
21. Total revenues [IF S1 = BANK, SAVINGS AND LOAN, OR CREDIT UNION, INSTEAD ASK:] Total Assets.
22. Investment in capital goods and equipment

EXPECTED CHANGES IN 2005

I'd next like to ask about the expected change in local business conditions in the next 12 months. For each business factor, please give the percentage you expect that level to change in calendar year 2005. Again, if the level is staying the same you can say "0" or give a negative percentage if it is declining.

23. Total employment
24. Total revenues [IF S1 = BANK, SAVINGS AND LOAN, OR CREDIT UNION, INSTEAD ASK:] Assets

25. Wages and salaries on a per employee basis
26. Advertising expenses
27. Investments in capital goods, or equipment
28. Amount of total real estate space occupied
29. Net income

HIRING PROJECTIONS FOR NEXT YEAR

Earlier I asked about the percentage growth you expect in your North King County employment base. I'd like to follow up with two questions about the kind of jobs that will need to be filled in the coming year.

30. First of all, what would you estimate is the actual number of positions you will be hiring for in 2005?

31. **[IF Q30 = 0 OR NEGATIVE, SKIP TO Q32]** What types of local jobs will you be hiring for in the next year? **[DON'T READ; SELECT UP TO 3]**

1. Salespeople – Retail workers
2. Salespeople – Other
3. Clerical/secretarial
4. Construction workers
5. IT/Internet/Computer Network Staff (skilled)
6. Data entry workers (unskilled or semi-skilled)
7. Bio-technology related scientists
8. Management
9. Professional services - lawyers
10. Professional services – accountants
11. Professional services - engineers
12. Professional services – architects
13. Professional services – financial/banking
14. Professional Service – medical
15. Personal services
16. Other **[SPECIFY]** _____
17. Refused
18. Don't know

32. What percentage of your FULL TIME employees have access to an employer-sponsored health care plan?

LONGER-TERM FORECAST FOR 2006

We'd like to get a sense of how the local economy will do in 2006. By what percent do you expect your business will grow or decline during the year 2006 in terms of the following:

33. Number of jobs within the North King County cities **[IF S1 = BANK, SAVINGS AND LOAN, OR CREDIT UNION, INSTEAD ASK:]** Total assets
34. Total revenues from your North King County business operations? **[RECORD VERBATIM]**
35. Total space occupied by your local business operations?
36. Is your business currently looking at or considering moving to another city outside the North King County area?

1. Yes
2. No
3. Refused
4. Don't know

CUSTOM QUESTIONS FOR EACH PARTICIPATING CITY FOLLOW BELOW. FOR EACH PARTICIPATING CITY THE NEXT ITEM IS Q37.

BACKGROUND PROFILE OF FIRMS

My final questions are for statistical purposes only.

38. How many employees currently work at your location in North King County?
39. Approximately how many of your employees live in the North King County study area?
40. Approximately how many employees worked at your location at this time last year?

[IF S1 = BANK, SAVINGS AND LOAN, OR CREDIT UNION, SKIP TO Q42]

41. I'm going to read you a list of different categories or ranges of annual gross revenue. Stop me when I get to the category into which your company's gross revenue for calendar year 2004 falls. **[READ AND RECORD ONE RESPONSE]**

1. Under \$250,000
2. \$250,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1 to \$2.4 million
5. \$2.5 to \$4.9 million
6. \$5 to \$9.9 million
7. \$10 to \$19 million
8. \$20 to \$34 million
9. \$35 to \$49 million
10. \$50 to \$74 million
11. \$75 to \$99 million
12. \$100 to \$149 million
13. \$150 to \$249 million
14. \$250 to \$499 million
15. \$500 million or more
15. REFUSED
16. DON'T KNOW

42. **[IF S1 = BANK, SAVINGS AND LOAN, OR CREDIT UNION]** I'm going to read you a list of different categories or ranges of assets. Stop me when I get to the category that describes the assets at your local branch or your operations in King and Snohomish counties

1. 0-50 million
2. 51-100 million
3. 101-300 million
4. 301-500 million
5. 500 million – 999 million
6. 1-3 billion

7. 3.1-5 billion
8. 5.1-10 billion
9. 10.1-50 billion
10. Over 50 billion
11. Refused
12. Don't Know

43. Is this location your business headquarters?

1. Yes
2. No
3. Don't know
4. Refused

44. How many years has your firm been in business in the North King County area?

45. How would you describe your particular niche or specialty within your industry?
[RECORD VERBATIM]

46. Including all employees, both local and in other areas, how many TOTAL employees work at your company?

47. Does the owner, president or local branch manager of your company live in the North County area?

1. Yes
2. No
3. Refused
4. Don't know

That concludes our survey. Thank you very much for your time. The results will be presented at a luncheon on April 5th at the *University of Washington Bothell Campus*.

48. Would you like to receive an invitation? **[IF YES, NOTE CONTACT AND ADDRESS FOR MAILING PURPOSES]**

POST-CODE GENDER: Male_____ Female_____

1. MALE
2. FEMALE

CONTACT NAME _____
 NAME OF FIRM _____
PHONE NUMBER _____
 Address _____
 City, State Zip _____